

UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

OSHONYA SPENCER, CHARLES	:	
STRICKLAND, and DOUGLAS McDUFFIE	:	
on behalf of themselves and all others	:	
similarly situated,	:	
	:	
Plaintiffs,	:	NO. 3:05cv1681 (JCH)
	:	
V.	:	
	:	
THE HARTFORD FINANCIAL SERVICES	:	
GROUP, INC., et al	:	
	:	
Defendants.	:	SEPTEMBER 1, 2010

**DECLARATION OF DAVID S. GOLUB**

David S. Golub, does declare, under penalty of perjury, as follows:

1. I am an attorney admitted to the Bar of this Court and a member of the law firm of Silver Golub & Teitell LLP, one of the four law firms representing the Named Plaintiffs and serving as Class Counsel in the above-captioned action.<sup>1</sup>

2. I submit this Declaration, on behalf of all Class Counsel,<sup>2</sup> in support of the Motion for Final Approval of Class Action Settlement pending in this action to assist the Court in evaluating the fairness of the proposed settlement (the "Settlement") and, in particular, to set forth the basis for Class Counsel's recommendation that the Settlement and Plan of Allocation, as described in

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<sup>1</sup> The three other law firms representing the Named Plaintiffs and serving as Class Counsel with my firm are Berger & Montague, P.C. of Philadelphia, PA; Zuckerman Spaeder LLP of Washington, D.C.; and the Risk Law Firm of Tulsa, OK.

<sup>2</sup> The senior attorneys prosecuting this action at all four firms serving as Class Counsel have reviewed this Declaration and concur in the analysis and views expressed by me herein.

the parties' June 3, 2010 Settlement Agreement,<sup>3</sup> be approved by the Court at the Fairness Hearing in this matter scheduled for September 21, 2010.<sup>4</sup>

### Overview

3. The Settlement provides for a cash payment of \$72.5 million by The Hartford<sup>5</sup> for the benefit of the Settlement Class. The \$72.5 million equates to approximately 5.1% of each dollar of premium used for annuities funding the Settlement Class Members' structured settlements. The 5.1% recovery exceeds the 4% amount sought in the Named Plaintiffs' initial Complaint (for the brokers' commission alleged to have been wrongfully deducted from the structure by defendants) and represents an outstanding 34% of the claimed losses under the expanded 15% theory of liability in the Second Amended Complaint.<sup>6</sup>

4. Pursuant to the proposed Plan of Allocation, the net settlement proceeds (after deduction of fees and litigation expenses, incentive awards, and costs of class administration) will be distributed to the class members on a *pro rata* basis based upon the amount of the premium used to fund each class member's structured settlement with The Hartford. This means

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<sup>3</sup> A copy of the parties' June 3, 2010 Settlement Agreement [Dkt. 232, Exhibit 1] is attached as Exhibit A.

<sup>4</sup> I have previously discussed many of the factors relevant to the fairness and reasonableness of the Settlement and how the Settlement was reached in my August 16, 2010 Declaration [Dkt. 246] submitted in support of Class Counsel's Application for Award of Attorneys' Fees and Reimbursement of Litigation Expenses. I will attempt not to repeat the information in my prior Declaration, which I understand the Court will be reviewing in connection with the Fairness Hearing, and respectfully request that the Court rely upon that Declaration as well as this one in determining the fairness of the Settlement.

<sup>5</sup> As in other filings made in connection with the Settlement, the term "The Hartford" refers to The Hartford Financial Services Group, Inc. and its various property & casualty and life insurance subsidiaries.

<sup>6</sup> In conjunction with preparation of this Declaration, Class Counsel have undertaken a final analysis of the structured settlements provided to the Settlement Class. This analysis establishes that The Hartford wrote structured settlements to Class members over the entire class period with purported aggregate annuity premiums of approximately \$1.422 billion. At 4%, the total actual losses recoverable by the Class would be \$56.88 million. At 15%, the total actual losses would be \$213 million.

that after deduction of fees (assuming that Class Counsel is awarded the 30% fee requested), costs and incentive awards (assuming they are ordered), each Settlement Class Member will, on average, receive a net recovery of over \$2,200.

5. Class Counsel unanimously support the Settlement and strongly recommend that the Court approve the Settlement and Plan of Allocation.

6. Prior to agreeing to the Settlement, Class Counsel carefully considered the likelihood of obtaining a better result through continued litigation. Class Counsel have had an opportunity to conduct a full factual investigation of the Class's claims, through voluminous fact and expert discovery on the merits, on damages and on the requisite elements of class certification. Class Counsel have also fully explored the legal issues and defenses to each aspect of the case, which have been the subject of extensive briefing in this Court and the Court of Appeals. As discussed more fully below, Class Counsel believe there are substantial factual and legal risks inherent to each of the three necessary elements of recovery – proving liability, proving damages, and maintaining class certification. In Class Counsel's considered judgment, the Settlement provides significant monetary relief to the Settlement Class in a case of complexity and uncertain prospects.

7. Class Counsel further believe that the fairness of the Settlement is strongly supported by the process that ultimately enabled the parties to reach agreement. The Settlement was reached only after an arm's-length mediation process conducted by David Geronemus of JAMS, one of this nation's top mediators of complex litigation disputes. The mediation lasted over the course of two months and included the parties' submission of detailed position statements, two day-long sessions attended by counsel, including in-house counsel for The Hartford, and

numerous other exchanges. The final Settlement Agreement submitted to the Court on June 3, 2010 required an additional 45 days of negotiation.

8. The reaction of the Settlement Class to the settlement further supports Class Counsel's belief in the fairness of the Settlement. Pursuant to the Court's June 7, 2010 Order granting preliminary approval to the Settlement, Court-approved Notice of the settlement has been given by mail and national publication to 21,697 class members.<sup>7</sup> In addition, pursuant to the June 7, 2010 Order, a toll-free call-in helpline and a website were established by the Claims Administrator so that all members of the Settlement Class would have access to information concerning the Settlement.<sup>8</sup> The website (which has been online since July 7, 2010) contains information about the case and the proposed Settlement (including the Notice, the Settlement Agreement, the proposed Plan of Allocation and all pleadings filed since June 7, 2010, including Class Counsel's Application for Award of Attorneys' Fees and Reimbursement of Litigation Expenses, and the Motion for Order of Incentive Award to Named Plaintiffs).<sup>9</sup> The Settlement Class was advised of the website and toll-free helpline in the Notice of the proposed Settlement, and as of September 1, 2010, there have been more than 15,200 visits to the website<sup>10</sup> and over 2,600 calls to the helpline.<sup>11</sup>

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<sup>7</sup> See Declaration of Jose C. Fraga dated September 1, 2010 ["Fraga Dec.,"] at ¶¶ 3-4, 6 (attached hereto as Exhibit B). A copy of the Notice mailed to Class Members is attached to the Fraga Dec. as Exhibit 1.

<sup>8</sup> *Id.* at ¶¶ 7-8.

<sup>9</sup> *Id.* at ¶ 8.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at ¶ 7.

9. Despite the Court-approved mail notice and national publication, and despite the heavy traffic to the website, to date (56 days post-notice), only one Class Member has filed an objection to any aspect of the Settlement. That Objection – a one page handwritten letter from a nineteen year old Class member who is, apparently, unhappy with the amount of her underlying settlement with The Hartford – states, as the sole basis for the Objection, “I depend on my structure[d] settlement but it doesn’t pay for much. So I object. [H]ow do I know they didn’t cheat me out of a lot more money.”<sup>12</sup>

10. Not only have the Class Members not objected to the Settlement. Fourteen of the fifty-one individuals who had previously opted out of the class before the Settlement was reached – over 25% of those who opted out – have now elected to opt back into the class.<sup>13</sup>

**The Settlement Satisfies the Factors for Approval Identified by the Second Circuit in *City of Detroit v. Grinnell***

11. The Second Circuit has identified nine substantive factors that courts should consider in deciding whether to grant final approval of a proposed class action settlement:

(1) the complexity, expense and likely duration of the litigation, (2) the reaction of the class to the settlement, (3) the stage of the proceedings and the amount of discovery completed, (4) the risks of establishing liability, (5) the risks of establishing damages, (6) the risks of maintaining the class action through the trial, (7) the ability of the defendants to withstand a greater judgment, (8) the range of reasonableness of the settlement fund in light of the best possible

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<sup>12</sup> A copy of the Objection (Dkt. 249) is attached as Exhibit C. One other class member has written to the Court and counsel for the parties advising that she feels she was tricked into settling her underlying personal injury claim with defendants’ insured and does not wish to participate in the settlement. That letter (which might properly be construed as an untimely request to opt-out of the Class) does not express any objection to the fairness of the proposed Settlement. (A copy of the letter is attached as Exhibit D.) In addition, three non-class members – inmates at a federal prison in Lexington, KY – have filed frivolous motions to intervene and object. [Dkt 240, 241]. As documented in the Opposition to these motions [Dkt. 242], the movants are serial litigants who have no standing to be heard with respect to the proposed Settlement.

<sup>13</sup> Fraga Dec. at ¶ 12.

recovery, [and] (9) the range of reasonableness of the settlement fund to a possible recovery in light of all the attendant risks of litigation.

*City of Detroit v. Grinnell*, 495 F.2d 448, 463 (2d Cir. 1974). All nine factors need not weigh in favor of settlement. Instead, the court should look at the totality of these factors in light of the specific circumstances involved. *Thompson v. Metro. Life Ins. Co.*, 216 F.R.D. 55, 61 (S.D.N.Y. 2003); *In re Global Crossing*, 225 F.R.D. at 456. Class Counsel submit that the Settlement fully satisfies all of the *Grinnell* factors.

**1. The Complexity, Expense, and Likely Duration of the Litigation**

12. If not settled, the trial of this action would be extremely complex. The claims involve annuities and complex pricing models. Annuities are complicated financial instruments whose intricacies are not well understood by anyone outside the insurance industry, let alone by the average juror. The trial would also require the jury to master complex accounting issues pertaining to how The Hartford priced its annuities in order to obtain a particular return on equity, and how those pricing practices resulted in The Hartford's retaining 15% of the economic value of the structured portions of the settlements.

13. The Class would have the burden of proving the case on these subjects and would have sought to meet their burden largely through expert testimony and adverse examinations of The Hartford's witnesses. There was a substantial risk of confusion and that the case would be viewed as a "battle of the experts."

14. The Class would also have faced the difficulty of overcoming The Hartford's argument that, notwithstanding The Hartford's annuity pricing strategies, it had in fact paid Class Members the precise stream of annuity payments it had promised to pay in each Class Member's

settlement documents. The distinction between Class Members claiming misrepresentations as to “cost” versus those claiming misrepresentations as to “value” would have added to the complexity of the trial. Moreover, The Hartford has argued that, even if liability was established, the Class would be unable to prove damages, because each Class Member received the return that was available in the market, and their structured settlements were funded by annuities equivalent in value and cost to similar annuities that could have been purchased through a third party insurance company. The Hartford had experts supporting their positions. All of this was likely to give rise to a highly complex trial, centering on expert testimony of annuity pricing and accounting issues, with substantial risk of an unfavorable outcome.

15. Continuing the case through trial would also have resulted in substantial expense in addition to that incurred so far. While the case settled with only a few months left before trial, defendants were prepared to file a summary judgment motion, a motion to de-certify the class, and *Daubert* motions with respect to plaintiffs’ experts. Class Counsel likewise intended to file *Daubert* motions. This extensive motions practice – which does not even include likely motions *in limine* – would have required hundreds of attorney hours to complete and would have added to the risk and uncertainty of proceeding to trial. The expense would continue to mount through trial, during which both sides intended to rely on extensive expert testimony.

16. And, even if the Class claims were won at trial, The Hartford’s inevitable appeal would have been extremely costly not only in terms of Class Counsel’s time and expenses, but also in terms of the protracted delay it would cause.

## 2. The Reaction of the Class to the Settlement

17. As discussed above, to date, only one Class Member has filed an objection to the Settlement.<sup>14</sup> Moreover, fourteen of the fifty-one individuals who had opted out of the class before the Settlement was reached – over 25% of those who opted out – have now elected to opt back into the class.<sup>15</sup>

18. The sole Objection (Dkt. 249) is from Ms. Ashley DeLaCruz, a nineteen year old who is apparently unhappy with the amount of her underlying settlement with The Hartford.<sup>16</sup> As the sole basis for her challenge to the Settlement, Ms. DeLaCruz states, “I depend on my structure[d] settlement but it doesn’t pay for much. So I object.” Ms. DeLaCruz speculates, “[H]ow do I know they didn’t cheat me out of a lot more money.”<sup>17</sup>

19. While Class Counsel appreciate Ms. DeLaCruz’s concern, we respectfully submit that where, as discussed above, the Settlement is reached after full investigation and litigation of the Class members’ potential claims and after arm’s length mediation of settlement, the Objection provides no substantial basis for disapproving the Settlement.

20. Equally important, the absence of a significant number of objections from Class members, especially when coupled with the heavy traffic to the Settlement website, is “strong evidence” of the fairness of the Settlement. *See Grinnell*, 495 F.2d at 462; *see also Wal-Mart*

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<sup>14</sup> *See* Exhibit C.

<sup>15</sup> Fraga Dec. at ¶ 12. Attached to the proposed Settlement Order and Final Judgment submitted with the Motion for Final Approval of Class Action Settlement is a list of the thirty-seven individuals who previously elected to opt out of the action and have not elected to opt back in. The proposed Settlement Order and Final Judgment provide that such opt-outs are not bound by the Judgment to be entered in these proceedings.

<sup>16</sup> *See* Exhibit C.

<sup>17</sup> *Id.*



*Stores, Inc. v. Visa U.S.A., Inc.*, 396 F.3d 96, 119 (2d Cir. 2005), *cert. den. sub. nom.*, *Leonardo's Pizza by the Slice Inc. v. Wal-Mart Stores Inc.*, 544 U.S. 1044 (2005) (“Indeed, the favorable reaction of the overwhelming majority of class members to the Settlement is perhaps the most significant factor in our *Grinnell* inquiry.”).

### **3. The Stage of the Proceedings and the Amount of Discovery Completed**

21. In determining whether a class action settlement is fair, reasonable and adequate, courts consider the stage of the proceedings and the amount of discovery completed to ensure that counsel for the class had access to sufficient information to evaluate their case properly and to assess the adequacy of any settlement proposal. *See Weinberger v. Kendrick*, 698 F.2d 61, 74 (2d Cir. 1982), *cert. den.*, 464 U.S. 818 (1983); *Chatelain v. Prudential-Bache Sec. Inc.*, 805 F. Supp. 209, 213-14 (S.D.N.Y. 1992); *In re Global Crossing*, 225 F.R.D. at 458 (this requirement “is intended to assure the Court ‘that counsel for plaintiffs have weighed their position based on a full consideration of the possibilities facing them.’”) (citation omitted).

22. As this Court is well aware from its active involvement in the management of this case, this action was heavily litigated for nearly five years. Defendants continuously asserted aggressive defenses, vigorously resisted discovery, and argued that the class would not prevail on the claims asserted. By the time the Settlement was reached, Class Counsel had reviewed and analyzed more than 540,000 pages of documents produced by defendants and third parties, including more than 96,000 pages of claims files; developed and implemented a sampling protocol that served as the basis for class certification; taken or defended more than 25 fact and expert depositions; exchanged expert reports on class certification, liability and damages; engaged in extensive motions practice in this Court and the Court of Appeals; and completed

arduous settlement negotiations (including the exchange of detailed mediation position statements).

23. Given the late stage of the proceedings and the extensive discovery taken before the Settlement was negotiated, the extensive motions practice, and the multiple hearings and rulings of the Court, Class Counsel unquestionably had sufficient information – indeed, a full record – to evaluate the strengths and weaknesses of the claims and defenses asserted and the propriety of settlement.

24. As the Court – which was particularly involved in pressing this litigation forward through extensive discovery disputes, motions practice, and numerous hearings and status conferences – observed at the Preliminary Approval hearing:

... [T]here was more than sufficient discovery for both sides to understand what the record looked like or might look like in front of the jury. There was more than sufficient opportunity for the lawyers to have a sense of what the legal issues were, what the strengths and weaknesses of the case were from both sides and only after that, I must say somewhat to the court's surprise, the parties were able to reach an agreement.

Prelim. App. Hearing Tr. at 25.

#### 4. The Risks of Establishing Liability

25. In assessing this factor, the Court is not required to “decide the merits of the case or resolve unsettled legal questions,” *Carson v. American Brands, Inc.*, 450 U.S. 79, 88 (1981), or to “foresee with absolute certainty the outcome of the case.” *In re Austrian & German Bank Holocaust Litig.*, 80 F. Supp. 2d 164, 177 (S.D.N.Y. 2000). “[R]ather, the court need only assess the risks of litigation against the certainty of recovery under the proposed settlement.” *In re Global Crossing*, 225 F.R.D. at 459.

26. The Class was by no means guaranteed a successful outcome to a trial of this case. Indeed, there was substantial factual and legal risk that the Class might not prevail on the asserted causes of action. Defendants argued that

- The RICO claims would fail because they could not establish the predicate acts, causation or a RICO enterprise;
- The claims for fraud would fail because defendants had no duty to disclose their retention of 15%, there were no misrepresentations of “cost” or “value” because each Class Member received market value and the funding annuities “cost” the amount represented, and defendants had no intent to defraud.

27. Even though Named Plaintiffs defeated defendants’ Rule 12(b)(6) motion, there were substantial risks that defendants might prevail on summary judgment, trial or on appeal. At the time of settlement, defendants had already notified Class Counsel and the Court of their intention to move for summary judgment. Defendants also advised Class Counsel of their intention to seek reconsideration of the Court’s ruling granting class certification on the basis of the deposition testimony of Named Plaintiffs’ and defendants’ experts, which defendants asserted established that the premises underlying the Court’s grant of class certification were flawed. While Class Counsel believe that they would have defeated these likely motions by defendants, the substantial risks presented by these motions were real and cannot be disregarded.

28. As the Court observed late in the litigation at the Preliminary Approval hearing in June 2010:

... I will note that The Hartford has from the beginning clearly and vigorously asserted their view that they did nothing wrong. That they gave to each of the settling plaintiffs a product which is what it would have cost that settling plaintiff if they had gone out to buy it from the Travelers or some other annuity company . . .

. . . It strikes me that the jury could have said at the end of the day they got what they asked for. They wanted an annuity. This is what the annuity cost and they got it. These are different companies. They aren't the same and I think you could have walked away with nothing.

Prelim. App. Hearing Tr. 27-28.

#### **5. The Risks of Establishing Damages**

29. There was also substantial risk that the Class would not be able to prove the existence and amount of damages. The Hartford argued that the Class Members suffered no damages and it proffered experts supporting that theory. And as the Court said in its Class Certification Order, if the case went to trial, the Class ultimately could recover some, all, or none of the 15% of the value of the structured settlements at issue; further, either of the two subclasses the Court certified could have faced significant difficulty proving its entitlement to damages.

30. As the Court explained:

Ultimately, defendants may . . . succeed in limiting the definition of those damaged (on summary judgment or at trial) to those who fall into one subclass or the other – for example, those whose representations specified as ‘value’ as opposed to ‘cost’. . . . Of course, a jury may ultimately decide that plaintiffs received what they bargained for and thus suffered no injury. Or they may decide that the ‘value’ plaintiffs suffered an injury but the ‘cost’ plaintiffs did not.

Class Certification Order at 27-28.

#### **6. The Risks of Maintaining the Class Action Through The Trial**

31. The Hartford vociferously argued against class certification. Even after it lost in this Court and in the Second Circuit, The Hartford said that it intended to move to de-certify the class prior to trial, based upon certain statements one of Named Plaintiffs’ experts made in his expert

report and in his deposition. Although Class Counsel did not believe The Hartford's argument for de-certification had merit, there was always a risk that the Court might re-evaluate its prior order and modify or entirely de-certify the class. And there is always a risk that a class determination may be overturned on an appeal following final judgment.

**7. The Ability of the Defendants to Withstand a Greater Judgment**

32. While Class Counsel do not perceive this factor to weigh heavily in support of the Settlement, there is always a risk – underscored by the recent global financial crisis and its dire effect on many companies, including The Hartford – that a very substantial judgment might not be collectable years down the road. The Hartford's stock price fell precipitously from a high of over \$100/share in mid 2007 to under \$6.25/share in the fall of 2009, and the company needed \$3.4 billion from the Troubled Asset Relief Program ("TARP"). The Settlement provides a substantial, certain and immediate payment.<sup>18</sup>

**8. The Reasonableness of the Settlement in Light of the Best Possible Recovery and the Attendant Risks of Litigation**

33. The final *Grinnell* factors focus on whether the settlement amount is reasonable in light of the possible recovery and the risks of litigating the case on the merits.<sup>19</sup> When weighed against the risks of continued litigation, the Settlement compares favorably with the result the Settlement Class could have obtained.

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<sup>18</sup> In any event, even if a defendant has both legal responsibility and the assets to withstand a greater judgment, that does not necessarily render a settlement inadequate. *D'Amato v. Deutsche Bank*, 236 F.3d 78, 86 (2d Cir. 2001).

<sup>19</sup> Courts typically collapse the final two *Grinnell* factors – “the range of reasonableness of the settlement fund in light of the best possible recovery” and “the range of reasonableness of the settlement fund to a possible recovery in light of all the attendant risks of litigation,” *Grinnell*, 495 F.2d at 463, into one factor. See e.g., *In re Global Crossing*, 225 F.R.D. at 460.

34. The \$72.5 million all-cash recovery in this action is, by any measure, a substantial sum. Further, in light of the unpredictability of dispositive motions practice followed by a complex trial, the inevitable appellate process that would follow, and the risk of reversal, the \$72.5 million Settlement falls squarely within the “range of reasonableness.” *See Wal-Mart*, 396 F.3d at 119 (“there is a range of reasonableness with respect to a settlement—a range which recognizes the uncertainties of law and fact in any particular case and the concomitant risks and costs necessarily inherent in taking any litigation to completion”) (citation omitted); *In re PaineWebber Ltd. P’ships Litig.*, 171 F.R.D. 104, 125 (S.D.N.Y. 1997) (“Fundamental to analyzing a settlement’s fairness is the need to compare the terms of the compromise with the likely rewards of litigation. . . this determination is not susceptible of a mathematical equation yielding a particular sum but turns on whether the settlement falls within a range of reasonableness.”) (citations omitted).

35. The \$72.5 million fund created for the benefit of the Settlement Class Members is a substantial recovery, both in the aggregate and for individual Settlement Class members—each of whom stands to recover, on average, thousands of dollars in additional compensation. Overall, the \$72.5 million Settlement Fund recovers approximately 5.1% of the total annuity premium for the Settlement Class. As discussed above, this recovery exceeds the 4% recovery initially sought in this action and, on a gross basis, amounts to 34% of the potential maximum recovery under Plaintiffs’ revised 15% theory. By way of example, after deduction of requested fees, costs and incentive awards, a Settlement Class Member who structured \$100,000 of his or her personal injury or worker’s compensation settlement will receive approximately \$3,600.

36. This recovery is, at the very least, “well within the range of reasonableness.” *See In re Michael Milken and Assoc. Secs. Litig.*, 150 F.R.D. 57, 67 (S.D.N.Y. 1993) (noting that in the *Grinnell* case, the proposed settlement represented 3.2% to 3.7% of the potential recovery); *see also In re Merrill Lynch & Co., Inc. Research Reports Sec. Litig.*, 246 F.R.D. 156, 167 (S.D.N.Y. 2007) (“Thus, the Settlement Fund here represents between approximately 3% and 7% of the claimed damages. A recovery of between approximately 3% and 7% of estimated damages is within the range of reasonableness for recovery in the settlement of large securities class actions.”) (citations omitted); *Hicks v. Stanley*, No. 01 Civ. 10071 (RJH), 2005 WL 2757792, at \*7 (S.D.N.Y. Oct. 24, 2005) (finding a settlement representing 3.8% of plaintiffs’ estimate to be within the range of reasonableness); *see Ellen M. Ryan, Laura E. Simmons, Securities Class Action Settlements, 2009 Review and Analysis*, at 5 (Cornerstone Research, Inc. 2010) (in securities class actions settling for between \$50 and \$124 million in 2009, the median settlement as a percentage of actual investor losses is 3.9%);<sup>20</sup> *Stephanie Plancich, Ph.D., Svetlana Starykh, 2008 Trends in Securities Class Actions*, at 14 (National Economic Research Associates, Inc. 2008) (median ratio of settlement to investor losses of cases settled in 2008 was 2.7%, and ranged between 2.2% and 3.2% between 2002 and 2008).<sup>21</sup> Indeed, even after deduction of the attorneys’ fees requested in Class Counsel’s fee application and the requested incentive awards to the Named Plaintiffs, each class member will still receive a net benefit from the settlement equal to approximately 21% of the actual losses under the 15% theory – more than six times the 2009 median in class action securities fraud cases.

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<sup>20</sup> A copy of the *Ryan* article is attached to my August 16, 2010 Declaration as Exhibit D.

<sup>21</sup> A copy of the *Plancich* article is attached to my August 16, 2010 Declaration as Exhibit E.

37. Moreover, at Class Counsel's insistence, *all* net settlement funds will go to class members. None of the settlement funds is subject to any reversion to the defendant. And, as discussed above, the Class was by no means assured of such a favorable result in the absence of this proposed Settlement.

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38. Accordingly, Class Counsel submit that this Court should find that the *Grinnell* factors, taken together, confirm that the Settlement is not only fair, reasonable and adequate but is an excellent resolution of this litigation and should be approved.

**The Plan of Allocation is Fair and Should Be Approved.**

39. Pursuant to the terms of the Plan of Allocation, which the Court preliminarily approved on June 7, 2010, the Settlement Fund, net of notice and administrative costs, tax payments, any award of attorneys' fees and expenses, any incentive awards to the Named Plaintiffs and/or any additional costs incurred by Class Counsel or Named Plaintiffs for the benefit of the Settlement Class and approved by the Court (i.e., the Net Settlement Fund), will be distributed to the Settlement Class in proportion to the size of each Settlement Class Member's structured settlement, measured by the amount used to obtain the Class Member's structured settlement annuity.

40. Class Counsel believe that this *pro rata* method of allocating the Net Settlement Fund among the Settlement Class Members is inherently reasonable and, likewise, the fairest and most equitable method given the facts and circumstances of this action.

41. The Settlement in this case treats the two subclasses identically for purposes of distributing the Net Settlement Fund. As Class Counsel advised the Court at the Preliminary



Approval Hearing on June 7, 2010, in counsel's view, there was no material difference in the strength of either sub-class's claims and each sub-class had a similar likelihood of prevailing. Moreover, even if the two subclasses had different probabilities of successfully proving liability, the damages theory for both subclasses was based upon The Hartford's retention of 15% of the economic value of the structured settlements. Because the measure of damages sought for the two subclasses was identical, there is no reason to differentiate between the subclasses for purposes of determining individual Settlement Class Members' recoveries.<sup>22</sup>

42. Given the similarity of the strength of the claims and the measure of damages between the two subclasses, Class Counsel determined that the fairest method of distributing the Net Settlement Fund was to allocate the proceeds in proportion to the size of each Settlement Class Member's structured settlement with The Hartford, measured by the premium used to purchase the Class Member's structured settlement annuity. Accordingly, each Settlement Class Member's proportionate share shall be determined as follows. First, the amount of total premium paid by The Hartford p&c companies for structured settlement annuities for the benefit of all Settlement Class Members shall be calculated ("Total Premium Paid For Settlement Class Members"). Second, the amount of the Net Settlement Fund shall be divided by the Total Premium Paid For Settlement Class Members, in order to calculate the "Distribution Amount Per Premium Dollar." Third, the premium amount used to purchase the structured settlement annuity for the benefit of each individual Settlement Class Member shall be multiplied by the

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<sup>22</sup> Furthermore, requiring the two Subclasses to be treated differently for purposes of distributing the Net Settlement Fund would vastly increase the administrative expense associated with the Plan of Allocation, which would unnecessarily reduce the recovery actually going to Settlement.

Distribution Amount Per Premium Dollar, in order to calculate each individual Settlement Class Member's share.

43. As discussed above, the entirety of the Settlement Fund, net of notice and administrative costs, tax payments, any award of attorneys' fees and expenses, and any incentive awards to the Named Plaintiffs, will be distributed to Settlement Class Members, without reversion to The Hartford. Further, there is no claims process; distributions will be made to all Settlement Class Members.

44. "A district court has broad supervisory powers with respect to allocating a class action settlement and wide latitude in determining what to consider in approving a settlement allocation." *In re Marsh ERISA Litig.*, 265 F.R.D. 128, 145 (S.D.N.Y. 2010). "When formulated by competent and experienced class counsel, an allocation plan need only have a 'reasonable, rational basis.'" *In re Global Crossing*, 225 F.R.D. at 462, quoting *In re American Bank Note Holographics, Inc. Sec. Litig.*, 127 F.Supp.2d 418, 429-30 (S.D.N.Y. 2001); *In re Visa Check/MasterMoney Antitrust Litig.*, 297 F.Supp.2d 503, 519 (E.D.N.Y. 2003) (same). "In determining whether a plan of allocation is fair, courts give substantial weight to the opinions of experienced counsel." *In re Marsh ERISA Litig.* at 145; *In re Painwebber Partnerships*, 171 F.R.D. at 133.

45. Courts consistently have approved plans of allocation that distribute settlement proceeds on a *pro rata* basis, or in proportion to class members' injuries. *See, e.g., In re Marsh ERISA Litig.*, 265 F.R.D. at 145 (net settlement fund allocated to class members on a *pro rata* basis such that amount depended on the class member's calculated loss – relative to the losses of the other class members); *In re Merrill Lynch Tyco Research Sec. Litig.*, 249 F.R.D. 124, 135

(S.D.N.Y. 2008) (“plan of allocation that calls for the pro rata distribution of settlement proceeds on the basis of investment loss is presumptively reasonable.”); *In re Remeron Direct Purchaser Antitrust Litig.*, 2005 WL 3008808 \*11 (plan to allocate settlement funds in proportion to overcharge incurred by each class members to be “inherently reasonable”); *In re Global Crossing*, 225 F.R.D. at 462-63 (“Pro-rata distribution of settlement funds based on investment loss is clearly a reasonable approach); *In re Visa Check*, 297 F.Supp.2d at 519 (class members received an award of money from the net settlement fund directly proportional to their debit and credit purchase volume).

46. Further, Settlement Class Members have been provided with notice of the proposed *pro rata* method of distributing the net settlement proceeds, as well as the Plan of Allocation, and not a single Settlement Class Member has objected to the Plan. Accordingly, the Plan of Allocation should be considered fair and reasonable and, further, should be finally approved.

**The Requirements for Class Certification and of Notice Have Been Met**

47. The Settlement Class preliminarily certified by the Court in its June 7, 2010 Order is identical to the Trial Class certified by the Court in its March 10, 2009 Ruling granting class certification. In its March 10, 2009 Ruling, the Court carefully reviewed each of the requirements of Fed.R.Civ.P 23 and found that they were satisfied. The Court’s findings apply equally to certification of the Settlement Class.

48. The Notice program employed in this case also fully satisfied the requirements of Rule 23 and of Due Process. The Court-approved Notice of Class Action Settlement was written in plain language in order to ensure that it would be easily understood. The Notice described the litigation, summarized the terms of the Settlement Agreement, explained the scope of the release,

described the requests for attorneys' fees and expenses and the incentive awards for the Named Plaintiffs, explained the deadline and procedure for filing objections to the Settlement and notices of intent to appear at the Fairness Hearing, and notified Settlement Class Members of the date of the fairness hearing. *See In re Currency Conversion Sec. Litig.*, No. 01 MDL 1409, 2006 WL 3247396, at \*5 (S.D.N.Y. Nov. 8, 2006) (notice must inform class members of "the certification of the settlement class, the proposed settlement and the date of the final fairness hearing") (quotations omitted).

49. The notice program outlined in the Settlement Agreement, and approved by the Court in its Preliminary Approval Order, was the best practicable notice under the circumstances and was reasonably calculated to reach substantially all members of the Settlement Class. The Claims Administrator complied fully with the Court-approved procedure. The Notice was sent via first-class mail to the last known address of the 21,697 Settlement Class Members on July 7-8, 2010. (Fraga Dec. at ¶¶ 3-4). Prior to mailing, the Claims Administrator ran all Class Members' last known addresses through the National Change of Address Database to ensure that the most up-to-date address was used. (*Id.* at ¶ 3). In those cases where notices were returned as undeliverable, advanced address searching was conducted through a national change of address database to obtain additional address information. (*Id.* at ¶ 9). Additional copies of the notice were mailed to those alternative addresses. (*Id.*)<sup>23</sup>

50. In addition, publication notice was published in *USA Today* on July 8, 2010, in accordance with the Court's Preliminary Approval Order. (*Id.* at ¶ 6).

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<sup>23</sup> On August 30, 2010, defendants provided Class Counsel with new address information for sixty-four class members. Class Counsel immediately caused the Claims Administrator to send notices by overnight delivery to these new addresses. (*Id.* at ¶ 5).

51. Moreover, pursuant to the Court's June 7, 2010 Order, a website was established by the Claims Administrator to provide notice of information about the settlement to class members. Both forms of the notice, along with the Settlement Agreement, the motion for preliminary approval, and the documents supporting the motion for preliminary approval have been available on the website since July 7, 2010, and all additional pleadings filed in this action since June 7, 2010 have been posted on the website. (*Id.* at ¶ 8).<sup>24</sup> The website has had over 15,200 visits since it was created. (*Id.*).

52. Finally, the Claims Administrator has maintained a toll-free telephone inquiry system for the purpose of providing information and answering questions pertaining to the Settlement, and for providing documents requested by Settlement Class Members. (*Id.* at ¶ 7). The helpline has received over 2,600 calls to date. (*Id.*).

53. Class Counsel submit that the notice procedures implemented in this case far exceed the requirements of Rule 23(e) and the applicable due process standards.

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<sup>24</sup> Class Counsel's application for fees and costs and the motion for incentive awards to the Named Plaintiffs were posted on the website on August 17, 2010.

**Conclusion**

54. For the reasons set forth above, Class Counsel respectfully submit that the Court should approve the Settlement, the Settlement Agreement and the Plan of Allocation.

I declare, pursuant to 28 U.S.C. §1746, under penalty of perjury, that the foregoing is true and correct.

Executed on September 1, 2010.

\_\_\_\_\_  
/s/  
DAVID S. GOLUB

**CERTIFICATION**

I hereby certify that on September 1, 2010, the foregoing Declaration of David S. Golub, Esq. submitted in support of Motion for Final Approval of Class Action Settlement was filed electronically and served by mail on anyone unable to accept electronic filing. Notice of this filing will be sent by e-mail to all parties by operation of the Court's electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties may access this filing through the Court's CM/ECF System.

/s/

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# EXHIBIT A



IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF CONNECTICUT

OSHONYA SPENCER, )  
CHARLES STRICKLAND and )  
DOUGLAS MCDUFFIE, on behalf of )  
themselves and all others similarly situated, )

Plaintiffs, )

v. )

No. 3:05CV1681 (JCH)

THE HARTFORD FINANCIAL SERVICES )  
GROUP, INC., HARTFORD LIFE, INC., )  
HARTFORD LIFE INSURANCE )  
COMPANY, HARTFORD ACCIDENT )  
AND INDEMNITY COMPANY, )  
HARTFORD CASUALTY INSURANCE )  
COMPANY, HARTFORD INSURANCE )  
COMPANY OF THE MIDWEST and )  
HARTFORD FIRE INSURANCE COMPANY, )

Defendants. )

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**STIPULATED SETTLEMENT AGREEMENT AND RELEASE**

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This Stipulated Settlement Agreement and Release (the “Settlement Agreement”) is made and entered into as of June 3, 2010 by and among defendants The Hartford Financial Services Group, Inc., Hartford Life, Inc., Hartford Life Insurance Company, Hartford Accident and Indemnity Company, Hartford Casualty Insurance Company, Hartford Insurance Company of the Midwest and Hartford Fire Insurance Company (collectively, “The Hartford”), by and through their undersigned attorneys of record, and Oshonya Spencer, Charles Strickland and Douglas McDuffie (collectively, “Named Plaintiffs” or “Class Representatives”), and all other persons similarly situated, by and through their undersigned attorneys of record in the class action pending in the United

States District Court for the District of Connecticut (the “Court”), Case No. 05-CV-1681 (JCH) (the “Action”). This Settlement Agreement is intended to fully, finally and forever resolve, discharge and settle the Action and the Released Claims (as defined herein) with prejudice, upon and subject to the terms and conditions hereof, subject to the approval of the Court.

**WHEREAS**, Plaintiffs have alleged, among other things, that The Hartford violated the Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. § 1962(c) and 18 U.S.C. § 1962(d), and committed common law fraud in structuring settlements with personal injury and worker’s compensation claimants, and that this caused Plaintiffs and the Class Members (as defined herein) to incur damages;

**WHEREAS**, The Hartford denies Plaintiffs’ allegations of unlawful or wrongful conduct, and denies that any conduct challenged by Plaintiffs caused any damage whatsoever, and have asserted a number of defenses to Plaintiffs’ claims;

**WHEREAS**, on March 10, 2009, the Court certified a trial class, consisting of two subclasses, and on January 14, 2010, the Court approved a notice program pursuant to that certification that was subsequently effectuated;

**WHEREAS**, arm’s length settlement negotiations and multiple mediation sessions have occurred between counsel for Plaintiffs and The Hartford, and this Settlement Agreement, which embodies all of the terms and conditions of the settlement (the “Settlement”) between The Hartford and Plaintiffs, both individually and on behalf of the Class (defined herein), has been reached, subject to final approval of the Court;

**WHEREAS**, Plaintiffs’ counsel have concluded, after extensive discovery and investigation of the facts, expert analysis, motion and appellate practice, and pre-trial

preparation, and after carefully considering the circumstances of the Action, including, without limitation, the claims asserted in the Action, and the asserted and potential factual and legal defenses thereto, that it would be in the best interests of the Class to enter into this Settlement Agreement in order to avoid the uncertainties and vagaries of litigation, particularly complex litigation such as this involving a bifurcated proceeding, with a trial on liability and damage formula followed by individual damage determinations, and inevitable appeals, and to ensure a substantial benefit to the Class;

**WHEREAS**, The Hartford, notwithstanding the belief that it is not liable for the claims asserted in this Action and that it has good defenses to those claims, has concluded that it would be in The Hartford's best interests to enter into this Settlement Agreement to avoid litigation risk and uncertainty, further expense, inconvenience, and the distraction of protracted litigation and interference with ongoing business operations;

**WHEREAS**, Plaintiffs and The Hartford agree that this Settlement Agreement shall not be deemed or construed to be an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by The Hartford or the truth of the allegations asserted in this Action; and, by entering into this Settlement Agreement, no Party shall be deemed to have admitted in any way any claims or contentions made by any other Party, nor to have diminished in any way the validity or viability of any such claim or contention asserted by any Party with respect to this Action;

**WHEREAS**, The Parties and their respective counsel are satisfied and, therefore, believe, that the terms and conditions of this Settlement Agreement are fair, reasonable and adequate, particularly due to the likelihood that continued litigation would be protracted, entail risks, and involve substantial expense;

**NOW THEREFORE**, it is agreed by the undersigned, on behalf of The Hartford, Plaintiffs and the Settlement Class, that this Action and all claims made herein against The Hartford be settled, compromised and dismissed with prejudice on the following terms and conditions:

**1. Definitions**

For purposes of this Settlement Agreement, the following definitions shall apply:

1.01. "Action" means *Oshonya Spencer et al. v. The Hartford Financial Services Group, Inc. et al.*, Civil Action No. 05-1681(JCH), the class action which is pending in the United States District Court for the District of Connecticut.

1.02. "Claims Administrator" means the third party class action settlement administration firm retained by Class Counsel and approved by the Court to fulfill the functions of the Claims Administrator under this Settlement Agreement.

1.03. "Class Counsel" means SILVER GOLUB & TEITELL LLP (David S. Golub, Jonathan M. Levine); BERGER & MONTAGUE, P.C. (Peter R. Kahana, Steven L. Bloch); ZUCKERMAN SPAEDER LLP (Carl S. Kravitz, Ellen D. Marcus, Caroline E. Reynolds); and RISK LAW FIRM (Richard B. Risk, Jr.).

1.04. "Class Member" or "Settlement Class Member" means a person included within the Settlement Class, and each of their respective heirs, trustees, executors, administrators, principals, beneficiaries, agents, attorneys, assigns, and/or anyone claiming through them or acting or purporting to act for them or on their behalf, but does not include persons who: (i) timely and properly excluded themselves in response to the prior Notice of Pendency of Class Action; (ii) did not elect to opt back in to the Action as

provided for in the Settlement Agreement; and; (iii) as a result, are recognized by the Court as being excluded from this Action.

1.05. "Class Period" means January 1, 1997 through the date of the Order of Preliminary Approval.

1.06. "Class Representatives" or "Named Plaintiffs" means collectively Oshonya Spencer, Charles Strickland and Douglas McDuffie.

1.07. "Court" means the United States District Court for the District of Connecticut, before which the Action is pending.

1.08 "Fairness Hearing" means the hearing to be conducted by the Court under Federal Rule of Civil Procedure 23(e) to consider the fairness, reasonableness and adequacy of this Settlement Agreement and the proposed settlement, and to consider Class Counsel's application for fees and reimbursement of expenses.

1.09. "Final Approval" shall have the meaning set forth in Section 7 of this Settlement Agreement.

1.10. "Gross Settlement Fund" means the monetary settlement consideration to be paid into an escrow account, plus any interest earned thereon, to be distributed according to the terms and conditions set forth herein.

1.11. "The Hartford" means collectively defendants: The Hartford Financial Services Group, Inc.; Hartford Life, Inc.; Hartford Life Insurance Company; Hartford Accident and Indemnity Company; Hartford Casualty Insurance Company; Hartford Insurance Company of the Midwest; and Hartford Fire Insurance Company. "The Hartford Life Companies" means collectively defendants: Hartford Life, Inc.; and Hartford Life Insurance Company. "The Hartford P&C Companies" means collectively

defendants: Hartford Accident and Indemnity Company; Hartford Casualty Insurance Company; Hartford Insurance Company of the Midwest; and Hartford Fire Insurance Company.

1.12. “Mail Notice” means the Notice of Proposed Class Action Settlement, in a form that shall be agreed to by the Parties and approved by the Court, to be sent by first-class mail to Settlement Class Members as provided for in this Settlement Agreement.

1.13. “Net Settlement Fund” means the Gross Settlement Fund less all attorneys’ fees, expenses, costs of notice, costs of administration and taxes.

1.14. “Parties” means collectively the Plaintiffs, all Settlement Class Members and The Hartford. “Party” means any of said Parties.

1.15. “Plaintiffs” means collectively Oshonya Spencer, Charles Strickland and Douglas McDuffie, and all Settlement Class Members.

1.16. “Plan of Allocation” means the terms and procedures for allocating the Net Settlement Fund among, and distributing the Net Settlement Fund to, Settlement Class Members.

1.17. “Preliminary Approval” of this Settlement Agreement means that the Court has entered an order in substantially the same content as Exhibit “A” attached hereto, preliminarily approving the terms and conditions of this Settlement Agreement, including the manner of notice to the Settlement Class and the form and content of the exhibits attached hereto.

1.18. “Publication Notice” means the approved summary notice to be published as provided for in this Settlement Agreement in a form which shall be agreed to by the

Parties and approved by the Court. "Publication Notice" shall also include the creation and maintenance of a website regarding the settlement.

1.19. "Released Claims" means those claims set forth in Section 11 of this Settlement Agreement.

1.20. "Released Parties" means collectively: The Hartford, and their past, present and future parents, subsidiaries, divisions, affiliates, stockholders, officers, directors, insurers, general or limited partners, employees, brokers, agents, attorneys and any of their legal representatives, and any third party acting with or on behalf of The Hartford in the structured settlement transactions.

1.21. "Settlement" means this proposed settlement provided for by the terms and conditions of this Settlement Agreement and the exhibits hereto.

1.22. "Settlement Agreement" means this Stipulated Settlement Agreement and Release.

1.23. "Settlement Class" means the class of persons as stipulated in Section 2 of this Settlement Agreement.

1.24. "Settlement Order and Final Judgment" means the order and final judgment approving and incorporating this Settlement Agreement, and all of its terms and conditions, as binding upon the Parties and dismissing this Action with prejudice.

1.25. "Trial Class" means the class certified by the Court for trial, consisting of the two subclasses, as set forth more fully in the Court's March 10, 2009 class certification order.

1.26. As used herein, the plural of any defined terms shall also include the singular thereof, and the singular of any defined term shall also included the plural thereof, as the context may require.

## **2. Certification of Settlement Class**

2.01. The Parties stipulate to certification of a Settlement Class (as defined herein) solely for the purposes of effectuating the proposed Settlement pursuant to the terms and conditions of this Settlement Agreement. Further, the Parties stipulate that, for settlement purposes only, the Court may enter all appropriate orders certifying the Settlement Class (as defined herein), appointing the Named Plaintiffs as representatives of the Settlement Class, and appointing Class Counsel as counsel for the Settlement Class.

2.02. The Court previously certified a class for trial (the "Trial Class"), divided into two (2) subclasses as follows:

"Cost" Subclass: All persons who entered into a settlement with any of The Hartford Property & Casualty Companies between 1997 and the present in which some or all of the settlement amount was to be paid as a structured settlement funded with an annuity from one of The Hartford Life Companies, who had a written contract that, or before entering into the written contract had received a written representation that, made explicit or implicit reference to the "cost" of the settlement or the portion of the settlement being structured or the "cost" of an annuity being used to fund the structure. Excluded from this class are persons who were represented by a plaintiffs' broker in connection with the settlement.

"Value" Subclass: All persons who entered into a settlement with any of The Hartford Property & Casualty Companies between 1997 and the present in which some or all of the settlement amount was to be paid as a structured settlement funded with an annuity from one of The Hartford Life Companies, who had a written contract that, or before entering into the written contract had received a written representation that, made explicit or implicit reference to the "value" of the settlement or the portion of the settlement being structured or the "value" of an annuity being used



to fund the structure. Excluded from this class are persons who were represented by a plaintiffs' broker in connection with the settlement.

As part of the Trial Class certification, Spencer was appointed the representative of the "Cost" subclass and Strickland and McDuffie were appointed representatives of the "Value" subclass.

2.03. Solely for purposes of the Settlement, the Parties stipulate that: (i) the Trial Class, comprised of the "Cost" and "Value" subclasses, can and should be combined into one Settlement Class; (ii) the Settlement Class satisfies the criteria for certification under Rule 23 of the Federal Rules of Civil Procedure; (iii) the named Plaintiffs, in the aggregate, are adequate representatives of all members of the Settlement Class in that each and every member of the Settlement Class received a writing of some kind that made explicit or implicit reference and/or representation as to the "cost" or "value" of the settlement or the portion of the settlement being structured or the "cost" or "value" of an annuity being used to fund such structure; (iv) as a result of the stipulation in Section 2.03(iii), that each and every member who otherwise qualifies for the Settlement Class received such a writing, all persons who entered into a settlement with any of The Hartford Property & Casualty Companies between 1997 and the present in which some or all of the settlement amount was to be paid as a structured settlement funded with an annuity from one of The Hartford Life Companies are Settlement Class Members and therefore are entitled to receive a distribution from the Net Settlement Fund as provided for in the proposed Plan of Allocation; (v) the relative likelihood of success on the merits with respect to the claims of the Settlement Class Members based on "cost" or "value" is the same; (vi) the harm, if any, caused to each and every member of the Settlement Class is the same and occurred in the same way; and (vii) the measure of

damages for the harm, if any, caused to each and every member of the Settlement Class is the same. In light of the foregoing, the Settlement Class shall be defined as follows:

All persons who entered into a settlement with any of The Hartford Property & Casualty Companies between 1997 and the present in which some or all of the settlement amount was to be paid as a structured settlement funded with an annuity from one of The Hartford Life Companies, who had a written contract that, or before entering into the written contract had received a written representation that, made explicit or implicit reference to the “cost” and/or “value” of the settlement or the portion of the settlement being structured or the “cost” and/or “value” of an annuity being used to fund the structure. Excluded from this class are persons who were represented by a plaintiffs’ broker in connection with the settlement.

**3. Best Efforts to Effectuate the Settlement**

3.01. The Parties and counsel for the Parties agree to recommend approval of this Settlement Agreement by the Court (and to jointly support this Settlement Agreement in its entirety in the Court and in any appellate court), and the Parties and counsel for the Parties agree to undertake their best efforts, including all steps and efforts contemplated by this Settlement Agreement and any other steps and efforts that may be necessary or appropriate, by order of the Court or otherwise, to carry out the terms of this Settlement Agreement, including obtaining preliminary approval and final approval of the Settlement Agreement and the Settlement provided for therein, and to neither take nor instigate any activity contrary to or inconsistent with their commitment to seek prompt approval and implementation of the Settlement.

**4. Preliminary Approval**

4.01. Upon execution of the Settlement Agreement, Named Plaintiffs, through Class Counsel, shall file with the Court a motion for preliminary approval of the Settlement Agreement and the Settlement provided for therein, which shall contain a

proposed preliminary approval order substantially in the form attached hereto as Exhibit "A". The Hartford agrees not to oppose, challenge or object to such motion for preliminary approval, if consistent with this Settlement Agreement. In the event the Court preliminarily approves the Settlement Agreement and the Settlement provided for therein, Plaintiffs shall, in accordance with the order of preliminary approval, provide Class Members with notice of the Settlement pursuant to Rule 23 of the Federal Rules of Civil Procedure. Unless the Court provides otherwise, such notice may be given as provided for in Section 5 below.

4.02. The Parties believe and hereby agree that an additional opt-out period is unnecessary in the context of this Settlement, and that position shall be reflected in the motion for preliminary approval and the proposed preliminary approval order.

4.03. The motion for preliminary approval shall petition the Court to permit persons who previously opted out of the Trial Class in accordance with the requirements of the Notice of Pendency of Class Action to withdraw their opt out by following the procedures set forth in this Settlement Agreement. Those persons who withdraw their prior opt out shall be deemed Settlement Class Members.

**5. Notice to Settlement Class Members and Appropriate Officials**

5.01. Upon execution of this Settlement Agreement, but in no event thirty (30) days later than the date of the Preliminary Approval Order, The Hartford shall provide to Class Counsel in electronic format the following identification information concerning each of the Settlement Class Members: (i) name; (ii) last known active and valid address; (iii) date of structured settlement; (iv) the annuity number corresponding to each structured settlement annuity on behalf of Settlement Class Members; (v) the premium

paid for each structured settlement annuity on behalf of a Settlement Class Member; and (vi) the annuitant for each structured settlement annuity on behalf of Settlement Class Members, in order to allow for Mail Notice to properly be disseminated, and to allow Class Counsel to develop a Plan of Allocation to be approved by the Court and effectuated. Notwithstanding the foregoing, The Hartford will provide this information for persons who have previously excluded themselves from this Action with seven (7) days hereof. If additional information is needed for the Plan of Allocation to be effectuated and the Settlement to be consummated, The Hartford shall not unreasonably withhold such information. It is presumed that all persons identified by The Hartford pursuant to this Section 5.01 are Settlement Class Members, and comprise the complete list of all Settlement Class Members.

5.02. No later than thirty (30) days after Preliminary Approval, unless such time is extended by the Court, Class Counsel, through the Claims Administrator, shall cause the Notice of Class Action Settlement, to be sent by first-class mail to each Settlement Class Member (“Mail Notice”). Addresses of the Settlement Class Members shall be run through the NCOA database by the Claims Administrator and updated accordingly prior to mailing. Any mailings returned with a forwarding address shall be re-mailed by the Claims Administrator to the forwarding address provided and any mailings returned without a forwarding address shall be address traced, if feasible, utilizing the Lexis/Nexis All-Find service, or another service customarily used in the settlement administration process, and re-mailed if an additional address is identified.

5.03. The Notice of Proposed Class Action Settlement shall be substantially in the same form as Exhibit “B” attached hereto. The Parties shall jointly agree on the form

and format of the foregoing exhibit and for all forms of Class Notice; and further, may make by mutual written agreement any non-substantive changes and changes necessary to correct any inconsistency between approved forms of Class Notice and the Settlement Agreement.

5.04. The Claims Administrator shall establish and maintain a toll-free number which shall provide recorded responses for frequently asked questions to assist Settlement Class Members, and shall include a call-back option that will allow callers to leave a message for the Claims Administrator to obtain additional information or explanation, which shall remain operational through the date of the Fairness Hearing, and which shall be updated upon the occurrence of significant events in the Settlement administration.

5.05. Publication Notice, which shall be substantially in the same form as Exhibit "D" attached hereto, shall commence no later than five (5) days after Mail Notice. As part of the Publication Notice, and for the purposes of the claims administration process, the Claims Administrator will create, maintain and use an internet website whose domain name and URL (together, "URL") include a variation of the name "Hartford," such as "www.HartfordStructuredSettlementClassAction.com, the domain name shall be subject to The Hartford's approval and The Hartford shall register and shall have and retain complete and exclusive ownership rights with respect to that URL. The Hartford shall license to the Claims Administrator (i) the use of the URL, and (ii) use of The Hartford name in the URL and on the website to Claims Administrator solely for the limited purpose of this Agreement and for the term of the fulfillment of this Agreement. Any further use of the URL or The Hartford name must be agreed to in writing by The

Hartford. In addition, The Hartford shall have the right to review and approve any content included on this website, with the exception of any court-approved notices or documents. The Hartford's approval of any content on this website shall not be unreasonably withheld.

5.06. For each of the persons who previously excluded themselves from the Trial Class as provided for in the Notice of Pendency of Class Action, the Mail Notice shall contain an insert entitled "Election to Opt Back In", which shall be substantially in the same form as Exhibit "C" attached hereto, permitting those persons to elect to opt back in to the Action and the Settlement Class, as provided for in the Preliminary Approval Order.

5.07. At or before the Fairness Hearing, Class Counsel shall file with the Court proof of mailing of the Mail Notice and a proof of publication of the Summary Notice.

5.08. All costs incurred in connection with Mail Notice and Publication Notice, as well as the administration of the Settlement, shall be payable from the Gross Settlement Fund as provided for by the terms of the Settlement Agreement.

5.09. Pursuant to the Class Action Fairness Act of 2005 ("CAFA"), 28 U.S.C. § 1715, not later than ten (10) days after this Settlement Agreement is filed with the Court in conjunction with the Motion for Preliminary Approval, The Hartford shall serve upon the Attorney General of the United States and the respective Insurance Commissioners of each and every state in which Settlement Class Members reside, or the appropriate State officials, notice of this proposed settlement, consisting of: (1) a copy of the original and all amended complaints, and any materials filed with such pleadings; (2) notice of any scheduled judicial hearing in this class action; (3) a statement that the

right to request exclusion from the class action was previously available and expired on May 3, 2010, and no such right to request exclusion from the class action currently exists; (4) the proposed settlement of the class action; (5) any other settlement or other agreements made between Class Counsel and The Hartford's Counsel; (6) any final judgment or notice of dismissal; (7) a reasonable estimate of the number of Class Members residing in each state at issue and the estimated proportionate share of the claims of such members to the entire settlement; and (8) any judicial opinion by this Court relating to Settlement Class Member notification, the proposed settlement, any other settlement or settlement agreements between counsel, or any final judgment or notice of dismissal. Within two (2) days of serving the foregoing notices under CAFA, The Hartford shall file with the Court any and all materials sufficient to demonstrate compliance with the notice requirements of CAFA, and provide copies of such filing to Class Counsel.

**6. Motion for Final Approval, Fairness Hearing and Entry of Final Judgment**

6.01. If the Court preliminarily approves the Settlement, Named Plaintiffs, through Class Counsel, shall, at the time set forth by the Court in the Order of Preliminary Approval, file a motion for final approval of the Settlement by the Court and the entry of the Settlement Order and Final Judgment, after appropriate notice to the Class and notice by The Hartford pursuant to CAFA. The Hartford agrees not to oppose, challenge or object to such motion for final approval, if consistent with this Settlement Agreement. The Settlement Order and Final Judgment shall, among other things:

- (a) find that the Court has personal jurisdiction over the Plaintiffs, all Settlement Class Members and The Hartford, and that the Court has

- subject matter jurisdiction over all matters relating to this Action, including the approval of this Settlement Agreement;
- (b) find that this Action should be finally certified as a class action for settlement purposes;
  - (c) finally approve the proposed Settlement as fair, reasonable and adequate under Rule 23 of the Federal Rules of Civil Procedure and direct consummation of the Settlement pursuant to its terms;
  - (d) approve the proposed Plan of Allocation;
  - (e) dismiss the Action with prejudice as to the Plaintiffs and the Settlement Class Members.
  - (f) provide that Plaintiffs and the Settlement Class Members shall be bound by the Settlement Agreement, including the release contained in the Settlement Agreement;
  - (g) provide that persons who: (i) timely and properly excluded themselves in response to the prior Notice of Pendency of Class Action; (ii) did not elect to opt back in to the Action as provided for in the Settlement Agreement; and; (iii) as a result, are recognized by the Court as being excluded from this Action, are not Settlement Class Members, and are not bound by this Settlement Agreement, including the release provided therein. Because such persons are excluded from this Action, the dismissal with prejudice does not operate as to them and there is no preclusive effect as to them from the dismissal.
  - (h) direct that the judgment of dismissal shall be final and appealable;



- (i) approve Class Counsel's requested awards of attorneys' fees and expenses and approve the payment of the awards of attorneys' fees and expenses from the Gross Settlement Fund within the time provided for in Section 10 herein;
- (j) provide for incentive awards, if any, from the Gross Settlement Fund to the Named Plaintiffs, in addition to whatever monies each shall receive from the Net Settlement Fund pursuant to the Court-approved Plan of Allocation;
- (k) find that the Mail Notice, Publication Notice and the manner of notice to the Settlement Class: (i) constituted the best practicable notice; (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the Action, their rights to object to the proposed Settlement and to appear at the Fairness Hearing held by the Court, and their right to seek monetary compensation as provided for in the Settlement Agreement; (iii) constituted due, adequate and sufficient notice to all persons entitled to receive notice; and (iv) satisfied the requirements of Rule 23 of the Federal Rules Civil Procedure, due process, and all other applicable legal requirements;
- (l) without affecting the finality of the Settlement Order and Final Judgment for purposes of appeal, reserve and retain exclusive jurisdiction over the Settlement and this Settlement Agreement, including the administration, consummation and enforcement of this Settlement and the Settlement

Order and Final Judgment, and for any other necessary and related purpose(s);

- (m) permanently bar and enjoin all Settlement Class Members, and any person actually acting or purporting to act on behalf of any Settlement Class Member, from filing, commencing, prosecuting, pursuing, maintaining or enforcing any Released Claim, including, without limitation, in any individual, class (or putative class), representative or other action or proceeding, directly or indirectly, in any judicial, administrative, arbitral or other forum against The Hartford or any of the Released Parties; and
- (n) certify that any applicable requirements of CAFA have been satisfied.

6.02. Any Settlement Class Member may appear at the Fairness Hearing, at the Class Member's own expense, individually or through counsel of the Class Member's choice. Notice of any such appearance shall be served, on or prior to the date of its filing, on both Class Counsel and The Hartford's counsel. Any Settlement Class Member who does not enter an appearance shall be represented by Class Counsel.

6.03. Subject to Subsection 6.02 above, any Settlement Class Member may appear and show cause why the Settlement should or should not be approved as fair, reasonable and adequate; or why the proposed Settlement Order and Final Judgment should or should not be entered thereon; or why attorneys' fees and expenses should or should not be awarded to Class Counsel; or why the proposed Plan of Allocation should not be approved; or why the named Plaintiffs should not receive incentive awards; provided, however, that no Settlement Class Member shall be heard or entitled to contest or object to the Court's decision on any of the foregoing matters unless that person has

(a) no later than the objection date filed written objections and supporting documentation with the Court, stating specific grounds for the objection(s) and providing all legal and evidentiary support; and (b) mailed or delivered copies of such objections and documentation no later than the objection date, as set by the Court, to Class Counsel and The Hartford's Counsel. Any Settlement Class Member objecting to the proposed Settlement Order and Final Judgment also may seek to present argument to the Court at the Fairness Hearing. Any Settlement Class Member seeking to present oral argument must file a Notice of Appearance and Intent to Present Argument along with his or her objection, together with all supporting papers and documentation, which also must be filed with the Court and postmarked to Class Counsel and The Hartford's Counsel no later than the objection date, as set by the Court. Unless otherwise ordered by the Court, any Settlement Class Member who does not make his or her objection in the manner provided herein shall be deemed to have waived such objection, including, without limitation, any objections by appeal, collateral attack or otherwise, and shall forever be foreclosed from making any objection to the fairness, reasonableness or adequacy of the proposed settlement and/or to the award of attorneys' fees and expenses to Class Counsel, and any untimely objections shall be barred. Further, any Settlement Class Member who fails to timely file and serve a Notice of Appearance and Intention to Present Argument, together with supporting papers and documents as provided above shall not be permitted to be heard at the Fairness Hearing.

**7. Final Approval of the Settlement**

7.01. This Settlement Agreement shall become final upon the occurrence of all of the following events ("Final Approval"):

- (a) final approval of the Settlement Agreement and the Settlement provided for therein as required by Fed. R. Civ. P. 23;
- (b) entry of the Settlement Order and Final Judgment; and
- (c) expiration of the time for further judicial review, or the time to seek permission for further judicial review, of the Court's approval of this Settlement Agreement and the Settlement provided for therein, and the Court's entry of the Settlement Order and Final Judgment, without the filing of a request for judicial review or an effort to seek permission for further judicial review, or, if such further judicial review or effort to seek permission for further judicial review is sought: (a) such further judicial review or effort to seek permission for further judicial review is dismissed and time to seek further judicial review has expired; or (b) approval of this Settlement Agreement and the Settlement provided for therein, and the Settlement Order and Final Judgment, have been affirmed in their entirety by the court of last resort from which further judicial review has been sought and such affirmance no longer is subject to the possibility of further judicial review.

**8. Settlement Consideration: Cash**

8.01. Subject to the provisions hereof, and in full, complete and final settlement of the Action, within thirty (30) days following the Preliminary Approval by the Court, The Hartford shall pay the sum of Seventy-Two Million Five Hundred Thousand Dollars (\$72,500,000) in cash (the "Monetary Settlement Consideration"), by wire transfer, into an interest-bearing escrow account (the "Settlement Fund"), held and administered by an

escrow agent to be selected by Class Counsel with the approval of The Hartford, which shall not unreasonably be withheld. The Monetary Settlement Consideration is the total amount that The Hartford shall pay under this Settlement Agreement or the Settlement provided therein.

8.02. The Settlement Fund, including the Gross Settlement Fund and the Net Settlement Fund, shall be established and administered under the Court's continuing supervision and control pursuant to an escrow agreement (the "Escrow Agreement") in a form substantially in the same form as Exhibit "E" attached hereto, and shall be invested solely in obligations of, or obligations guaranteed by, the United States of America or any of its departments or agencies or in money market funds invested solely in obligations of, or obligations guaranteed by, the United States of America or any of its departments or agencies. Huntington Bank shall be the escrow agent of this Escrow Agreement, and the escrow agent (and any successor(s)) shall be unrelated to, and independent of, The Hartford within the meaning of Treasury Regulations §§ 1.468B-1(d) and 1.468B-3(c)(2)(i)(A), and any analogous local, state and/or foreign statute, law, rule or regulation. The Escrow Agreement provides the terms and conditions governing the Settlement Fund. The Parties agree that, following Final Approval, the Settlement Fund is intended to be treated as a "Qualified Settlement Fund" within the meaning of Treasury Regulation § 1.468B-1 and any analogous local, state and/or foreign statute, law, rule or regulation. The Parties further agree that, with respect to such treatment, the Parties and co-escrow agents may make a "relations back election" as described in Treasury Regulation § 1.468B-1(j) and any analogous local, state and/or foreign statute, law, rule or regulation, to cause the Qualified Settlement Fund to come into existence at the

earliest allowable date, according to the terms and conditions of the Escrow Agreement, and the Parties shall take such action as may be necessary or appropriate in connection therewith. In no event shall The Hartford take any action that will interfere with the creation of a Qualified Settlement Fund after Final Approval. Whether or not final approval of this Settlement Agreement occurs and whether or not the Settlement Fund qualifies as a “Qualified Settlement Fund” within the meaning of Treas. Reg. §1.468B-1, any taxes or estimated taxes due as a result of income earned by the Settlement Fund and all related costs and expenses, will be paid from the Settlement Fund. The Qualified Settlement Fund (and the Settlement Fund) shall be designated as the “Hartford Structured Settlement Litigation Fund,” or some other name agreed to by the Parties. If the Qualified Settlement Fund includes a variation of the name “Hartford,” the Hartford shall license to the Claims Administrator the use of The Hartford name in the Qualified Settlement Fund name solely for the limited purpose of this Agreement and for the term of the fulfillment of this Agreement. Any further use of the name of the Qualified Settlement Fund’s name or The Hartford name must be agreed to in writing by The Hartford. This provision is not intended to provide The Hartford with any control over or liability for the distribution of the funds held by the Qualified Settlement Fund.

8.03. The Settlement Fund shall be available to Class Counsel, as approved by the Court, for the payment of taxes on earnings from, or otherwise in respect of, the Settlement Fund and any costs and expenses related to the calculation or payment of such taxes (collectively, the “Tax Payments”), and for the purposes set forth in Sections 5, 9 and 10 of this Settlement Agreement, as authorized and approved by the Court.

8.04. The Gross Settlement Fund shall be used to pay: (i) Settlement Notice and Administration Costs, as outlined in Sections 5 and 9 herein; (ii) the Fee and Expense Award(s) outlined in Section 10 herein; (iii) Tax Payments; (iv) any additional costs and expenses incurred by the Class Representatives or Class Counsel for the benefit of the Settlement Class and/or the facilitation of the approval of the Settlement, as approved by the Court; or (v) any awards to the Class Representatives ordered by the Court.

8.05. After payment of the amounts described in Section 8.04 above, the balance of the funds in the Gross Settlement Fund shall constitute the “Net Settlement Fund,” which shall be distributed according to the terms and conditions of the Plan of Allocation. Settlement Class Members shall look solely to the Net Settlement Fund for satisfaction of any and all claims in this Action (and/or any of the Released Claims).

8.06. No distribution or payment from the Gross Settlement Fund or the Net Settlement Fund shall be made without Court approval for any purpose, except that Class Counsel shall be permitted to draw from the Gross Settlement Fund, without Court approval, for: (i) Tax Payments; (ii) notice costs and administration costs, including, without limitation, any costs of, or incurred in connection with, mail notices, publication notices, internet website notices, administration of notice and settlement administration costs; and (iii) interest payments to The Hartford as described in § 8.07 of this Settlement Agreement. Such distributions or payments, to the extent applicable, shall be considered administrative expenses of, and contributions to, the Settlement Fund.

8.07. If this Settlement Agreement terminates or Final Approval of the Settlement is denied or does not occur, then, within thirty (30) days after the Settlement Agreement has terminated or the possibility of Final Approval of the Settlement has

expired (including, without limitation, the expiration of all requests for judicial review from any decision denying approval), the amount of the Monetary Settlement Consideration, including accrued interest, minus all funds necessary to make any and all Tax Payments and minus any other incurred expenses provided for in Section 8.06 herein and/or expressly approved by the Court, shall be paid, by wire transfer, to an account designated by The Hartford. In the event that there is Final Approval of the Settlement, none of the Settlement Fund, including the Gross Settlement Fund or the Net Settlement Fund, shall revert, or be returned, to The Hartford; provided, however, that all interest accrued up to and including the date that the Court enters the Settlement Order and Final Judgment shall be for the benefit of The Hartford and shall be paid to The Hartford within ten (10) days following the entry of the Settlement Order and Final Judgment.

8.08. The Hartford shall have no liability, obligation or responsibility with respect to (or role in) the maintenance, investment, use, allocation, adjustment, distribution and/or disbursement of the Gross Settlement Fund or Net Settlement Fund.

8.09. A request for an incentive award in the amount of up to \$30,000 for each of the three Named Plaintiffs shall be incorporated into the Plaintiffs' motion for final approval, in recognition of the named Plaintiffs' diligent pursuit of and participation in this Action, and the significant length of time that the Action has been pending. The Hartford agrees not to oppose, challenge or object to such request for incentive awards.

**9. Settlement Administration and Claims Administration Process**

9.01. In connection with the final approval motion described in Section 6 above, Class Counsel shall submit to the Court for its approval under Rule 23 of the Federal Rules of Civil Procedure the Plan of Allocation, in a form substantially similar to that



attached hereto as Exhibit “F”, and which, except as otherwise specified, provides for a *pro rata* distribution of the Net Settlement Fund to each Settlement Class Member.

9.02. Except for the obligation to pay the Monetary Settlement Consideration provided for in Section 8 herein, The Hartford shall not have any role in or responsibility or liability for the form, method or manner of administration of the Settlement or the distribution of the Net Settlement Fund to Settlement Class Members. All expenses related thereto, including, without limitation, the costs of administration, shall be paid from the Settlement Fund. Class Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund by the Claims Administrator.

9.03. Upon Final Approval, Class Counsel shall seek approval by the Court to distribute the Net Settlement Fund in accordance with the Plan of Allocation. The Plan of Allocation proposed in Exhibit “F” is not a necessary term of this Settlement Agreement and it is not a condition of this Settlement Agreement that the Plan of Allocation be approved. Further, any order relating solely to such issue of the allocation of the Net Settlement Fund among the Settlement Class Members, or any request for further judicial review from any such order or reversal or modification thereof, shall not operate to terminate this Settlement Agreement or affect or delay the entry of the Settlement Order and Final Judgment or Final Approval of the Settlement.

9.04. Payments to Settlement Class Members pursuant to this Settlement Agreement (i.e., distribution of the Net Settlement Fund to Settlement Class Members) shall be deemed final and conclusive against all Settlement Class Members and are not subject to appeal or review.

9.05. All proceedings with respect to the administration, processing and determination of claims and/or payments described in this Section 9 of the Settlement Agreement and the determination of any controversies relating thereto shall be subject to the jurisdiction of the Court.

9.06. The Net Settlement Fund shall be distributed as provided for in the Settlement Agreement and the exhibits hereto, by the Claims Administrator, under the supervision of, and in consultation with, Class Counsel, only after: (i) Final Approval (ii) all matters with respect to attorneys' fees, expenses, costs and disbursements have been resolved by the Court and all appeals therefrom have been resolved or the time therefore has expired; (iii) all costs of administration of the Settlement and otherwise have been paid; and (iv) the Court has approved the distribution of the Net Settlement Fund.

9.07. The compensation that each of the Settlement Class Members recovered in the underlying structured settlements that are the subject of this Action were on account of personal physical injury or physical sickness within the meaning of 26 U.S.C. § 104(a)(2) or workers' compensation claims within the meaning of 26 U.S.C. § 104(a)(1). No amount being paid to Settlement Class Members is on account of punitive damages.

## **10. Attorneys' Fees and Expenses**

10.01. Class Counsel shall submit an application for attorneys' fees and expenses to the Court. Class Counsel intend to seek attorneys' fees of up to thirty-three percent (33%) of the Gross Settlement Fund, as awarded by the Court. In addition, Class Counsel intend to seek reimbursement of costs and expenses, including, without limitation, expenses incurred in the prosecution of this Action, costs of notice and costs of

administration, as awarded by the Court. The Hartford agrees not to oppose, challenge or object to the application by Class Counsel for the attorneys' fees and expense payments as set forth above.

10.02. The Hartford hereby agrees that Class Counsel's attorneys' fees and expenses, as awarded by the Court, may and shall be paid to Class Counsel from the Gross Settlement Fund within fourteen (14) business days of the entry of the Settlement Order and Final Judgment by the Court, or, if not concomitant with the entry of the Settlement Order and Final Judgment by the Court, within fourteen (14) business days of the entry of the Court's Order(s) awarding Class Counsel fees and expenses, notwithstanding the existence of any timely filed objection thereto, appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to Class Counsel's obligation to make appropriate refunds or repayments to the Settlement Fund (plus interest at the same net rate as is earned by the Settlement Fund). Class Counsel reserve the right to make supplemental application to the Court for Expenses and Costs of Administration.

10.03. Attorneys' fees and expenses awarded to Class Counsel by the Court shall be paid from the Gross Settlement Fund to Class Counsel as provided for in Section 10.02 above. Such payment of fees and expenses is subject to the obligation of Class Counsel to refund promptly to the Gross Settlement Fund any amount(s) of fees or expenses received, plus interest on the amounts at the same net rate as is earned by the Settlement Fund, if and when, as a result of any appeal or further proceeding, or successful direct or collateral attack on the Settlement: (i) the amount(s) of fees or expenses are reversed or reduced; or (ii) if Final Approval of the Settlement is denied or

does not occur. In the event that any amount(s) of fees or expenses awarded to Class Counsel are reduced, Class Counsel's obligation to refund said fees or expenses (plus interest) shall be commensurate only with any amount(s) of fees or expenses that may be reduced.

10.04. Class Counsel shall be jointly and severally liable for any required repayment of attorneys' fees and expenses under Section 10.03.

## **11. Releases**

11.01.

(a) Upon Final Approval, The Hartford, and their past, present and future parents, subsidiaries, divisions, affiliates, stockholders, officers, directors, insurers, general or limited partners, employees, brokers, agents, attorneys and any of their legal representatives, and any third party acting with or on behalf of The Hartford in the structured settlement transactions (the "Released Parties") are and shall be released and forever discharged from all manner of claims, demands, actions, suits, causes of action, damages and liabilities, including costs, expenses, penalties and attorneys' fees, known or unknown, suspected or unsuspected, in law or equity, that Plaintiffs or any Settlement Class Members (including beneficiaries of Settlement Class Members), whether or not they object to the Settlement and whether or not they make a claim upon or receive a distribution from the Net Settlement Fund, ever had, now have, or hereafter can, shall or may have, directly, representatively, derivatively or in any other capacity, to the extent arising out of or relating to the claims and causes of action alleged and asserted, and any and all claims and causes of action that could have been asserted (including, but not limited to, any and all such claims and causes of action under applicable state Claim

Practices Act), in this Action against The Hartford, provided that such conduct occurred or allegedly occurred prior to the date of this Settlement Agreement, except as expressly provided for in Sections 11.03 and 11.04 below (the "Released Claims"). Plaintiffs and each Settlement Class Member covenant and agree that each shall not sue or otherwise seek to establish or impose liability against any Released Party predicated on the Released Claims. Persons who: (i) timely and properly excluded themselves in response to the prior Notice of Pendency of Class Action; (ii) did not elect to opt back in to the Action as provided for in the Settlement Agreement; and; (iii) as a result, are recognized by the Court as being excluded from this Action, shall not be bound by the Release in this Section 11.01; nor do such excluded persons covenant and agree not to sue or otherwise seek to establish or impose liability against any Released Party on the Released Claims.

(b) In addition, Plaintiffs and each Settlement Class Member hereby expressly waive and release, upon Final Approval, any and all provisions, rights and/or benefits conferred by § 1542 of the California Civil Code, which reads:

Section 1542. General Release – Claims Extinguished. A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

or by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable or equivalent to §1542 of the California Civil Code. Plaintiffs and each Settlement Class Member may hereafter discover facts other than or different from those which he, she or it knows or believes to be true with respect to the Released Claims, but Plaintiffs and each Settlement Class Member expressly waive and fully, finally and forever settle and release, upon Final

Approval, any known or unknown, suspected or unsuspected, contingent or non-contingent claim that would otherwise fall within the definition of Released Claims, whether or not concealed or hidden, without regard to the subsequent discovery or existence of such different or additional facts. For the avoidance of doubt, Plaintiffs and each Settlement Class Member also hereby expressly waive and fully, finally and forever settle and release any and all claims they may have against any Released Party under § 17200, et seq., of the California Business and Professions Code or any similar comparable or equivalent provision of the law of any other state or territory of the United States or other jurisdiction, which claims hereby are expressly incorporated into the definition of Released Claims.

11.02. All Settlement Class Members shall be bound by the releases contained in this Settlement Agreement.

11.03. The Released Claims shall not include the claims of Settlement Class Members against the Released Parties, or the Released Parties' agents or assigns, based upon the Released Parties' contractual obligation to make the payments specified in the structured settlements previously entered into between the Settlement Class Members and the Released Parties, such as claims for the late payment or non-payment of these amounts. Further, Plaintiffs and the Settlement Class Members do not release any claims that have been reduced to judgment in a trial court, whether or not that judgment has been resolved on appeal. The only claims released are those defined in this Settlement Agreement.

11.04. To the extent that any of the Plaintiffs or any Settlement Class Member is an insured of The Hartford, nothing in this Release shall be deemed to alter a Named

Plaintiff's or Settlement Class Member's contractual rights, including, without limitation, the right to make a future claim for benefits pursuant to the terms of any policy issued by The Hartford; provided, however, that this provision shall not entitle a Named Plaintiff or Settlement Class Member to assert claims which constitute Released Claims.

11.05. Nothing in this Release shall preclude any action to enforce the terms of this Settlement Agreement.

11.06. Upon Final Approval, The Hartford releases and discharges each of the Named Plaintiffs and Class Counsel, and their experts, from any claims relating to the institution or prosecution of this Action. Upon Final Approval of the Settlement, each of the Named Plaintiffs and the Settlement Class Members releases and discharges The Hartford and The Hartford's counsel, and their experts, from any claims relating to the defense of this Action.

## **12. Termination of the Settlement**

12.01. In the event that the Court refuses to approve the Settlement Agreement, or issues an order preliminarily or finally approving this Settlement Agreement in a form substantially different from this Settlement Agreement submitted to the Court, including all attached exhibits in substantially the same form as submitted to the Court, or if the Settlement Agreement is vacated, reversed or substantially modified on appeal, then the Parties, or each and any of them, shall in good faith take all reasonable and necessary steps to cure any deficiencies noted by the Court, or any appellate court, which resulted in the failure to obtain approval of the Settlement Agreement and the Settlement. If these deficiencies cannot be cured as set forth above, then either of The Hartford, or Plaintiffs or Class Counsel on behalf of Plaintiffs and the Settlement Class, shall have the option to

withdraw from this Settlement Agreement, which may be exercised upon submission of written notice to the other Party and filing with the Court. Upon the exercise of the right to withdraw as set forth in this Subsection, this Settlement Agreement shall be null and void for all purposes.

12.02. In the event the Settlement Agreement and the Settlement are terminated in accordance with the applicable provisions of the Settlement Agreement, or the Settlement is not finally approved or is vacated, reversed or substantially modified on appeal, the Settlement Agreement, the Settlement, and all related proceedings shall, except as expressly provided to the contrary in the Settlement Agreement, shall become null and void, including the releases contained herein, and shall have no further force and effect, In that event, this Action shall revert to the procedural and substantive status prior to the date of execution of the Settlement Agreement, and the Trial Class certified in the Class Certification Order of March 10, 2009, shall remain in full force and effect, and the Action shall proceed as if the Settlement Agreement and all other related orders and papers had not been executed; and, upon application of Class Counsel and counsel for The Hartford, this Court shall enter an order authorizing the parties to proceed with this Action. Further, in that event, Plaintiffs and any Trial Class member shall retain full rights to assert any and all causes of action against The Hartford and any other released parties, and The Hartford and any other released parties shall retain any and all defenses thereto.

12.03. Neither this Settlement Agreement, nor anything contained or contemplated therein or proceedings undertaken in accordance with the terms of the Settlement Agreement, or the negotiation of the Settlement Agreement, shall constitute,



be construed as or deemed to be evidence, or an admission or concession by The Hartford as to the validity, of any claim that has been or could have been asserted against The Hartford or as to any liability by The Hartford as to any matter set forth in this Settlement Agreement. Neither shall this Settlement Agreement, nor anything contained or contemplated therein or proceedings undertaken in accordance with the terms of the Settlement Agreement, or the negotiation of the Settlement Agreement, constitute, be construed as or deemed to be evidence of, or an admission or concession by Plaintiffs and/or the Settlement Class Members that their claims lack merit or that the relief requested in this Action is inappropriate, improper or unavailable. Any and all negotiations, proceedings and documents prepared and statements made in connection with this Settlement Agreement shall be without prejudice to any Party and shall not be admissible or offered into evidence in any action or proceeding. Further, each of the Parties shall retain, and do not waive, any and all claims and/or defenses that they may have.

**13. Miscellaneous Provisions**

13.01 All counsel and any other persons executing this Settlement Agreement warrant and represent that they have the full authority to do so.

13.02. Unless and until this Settlement Agreement is terminated pursuant to its provisions, all discovery, motions, pleadings, and other activity in the Action shall be stayed except to the extent necessary to effectuate and consummate the terms of this Settlement in accordance with the Settlement Agreement.

13.03. The Court shall retain jurisdiction with respect to the implementation and enforcement of the terms of this Settlement Agreement and the Parties irrevocably

consent and submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement according to the terms of this Settlement Agreement.

13.04. In the event that there are any developments in the effectuation and administration of this Settlement Agreement that are not addressed or encompassed by the terms of this Settlement Agreement, then such matters shall be addressed and dealt with as agreed upon by the Parties, and, failing agreement, as shall be ordered by the Court.

13.05. The Claims Administrator or any Party may request a reasonable extension of any deadlines set forth in this Settlement Agreement for good cause. The Parties shall attempt in good faith to agree upon any requested reasonable extension. If unable to agree, reasonable extensions may be sought from the Court for good cause shown. Notwithstanding the foregoing, the waiver by one Party of any provision or breach of this Settlement Agreement shall not be deemed a waiver of any other provision or breach of this Settlement Agreement. Time is of the essence in the performance of this Settlement Agreement.

13.06. This Settlement Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto, including the Settlement Class Members, and of the Released Parties.

13.07. This Settlement Agreement, including all exhibits hereto and other documents explicitly referenced herein, contains the entire, complete and integrated statement of each and every term and provision of the Settlement. This Settlement Agreement shall not be modified in any respect except by a writing executed by the

undersigned in the representative capacities specified, or others who are authorized to act in such representative capacity.

13.08. Counsel to all Parties hereto have materially participated in the drafting of this Settlement Agreement. None of the Parties hereto shall be considered to be the drafter of this Settlement Agreement or any provisions hereof for the purpose of any statute, law or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

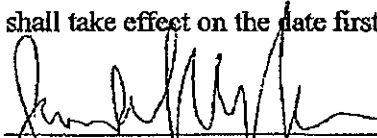
13.09. All terms of the Settlement and of this Settlement Agreement shall be governed by and interpreted according to the laws of the State of Connecticut without regard to its choice of law or conflict of laws principles.

13.10. In the event that any one or more of the provisions of this Settlement Agreement shall for any reason be held to be illegal, invalid or unenforceable in any respect, such event shall not affect the legality, validity and enforceability of the other provisions of this Settlement Agreement, or this Settlement Agreement as a whole.

13.11. The headings used in the Settlement Agreement are intended for the convenience of the reader only and shall not affect the meaning or interpretation of this Settlement Agreement.

13.12. This Settlement Agreement may be executed in counterparts which, when taken together, constitute the whole. Facsimile signatures shall be considered as valid signatures as of the date hereof, although original signature pages shall thereafter be appended to this Settlement Agreement and filed with the court.

IN WITNESS HEREOF, the undersigned, being duly authorized on behalf of the Parties hereto, have caused this Settlement Agreement to be executed and agree that it shall take effect on the date first herein above written.

  
\_\_\_\_\_  
James P. Heavner, Jr.  
Senior Vice President  
The Hartford Financial Services Group, Inc.,

*on behalf of:*  
The Hartford Financial Services Group, Inc.;  
Hartford Life, Inc.;  
Hartford Life Insurance Company;  
Hartford Accident and Indemnity Company;  
Hartford Casualty Insurance Company;  
Hartford Insurance Company of the  
Midwest;  
Hartford Fire Insurance Company

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*Attorneys for Plaintiffs  
and the Settlement Class*

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James P. Heavner, Jr.  
Senior Vice President  
The Hartford Financial Services Group, Inc.,

*on behalf of:*  
The Hartford Financial Services Group, Inc.;  
Hartford Life, Inc.;  
Hartford Life Insurance Company;  
Hartford Accident and Indemnity Company;  
Hartford Casualty Insurance Company;  
Hartford Insurance Company of the  
Midwest;  
Hartford Fire Insurance Company

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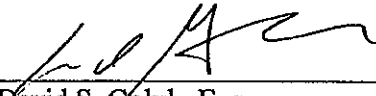
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Senior Vice President  
The Hartford Financial Services Group, Inc.,

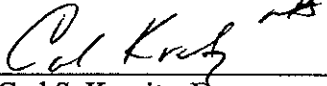
*on behalf of:*  
The Hartford Financial Services Group, Inc.;  
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Hartford Accident and Indemnity Company;  
Hartford Casualty Insurance Company;  
Hartford Insurance Company of the  
Midwest;  
Hartford Fire Insurance Company

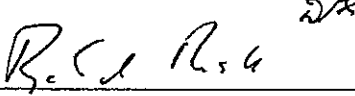
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*Attorneys for Plaintiffs  
and the Settlement Class*

# EXHIBIT B

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF CONNECTICUT**

OSHONYA SPENCER,  
CHARLES STRICKLAND and  
DOUGLAS MCDUFFIES, on behalf of  
Themselves and all others similarly situated,

Plaintiffs,

v.

No. 3:05CV1681 (JCH)

THE HARTFORD FINANCIAL SERVICES  
GROUP, INC., HARTFORD LIFE, INC.,  
HARTFORD LIFE INSURANCE  
COMPANY, HARTFORD ACCIDENT  
AND IDEMNITY COMPANY,  
HARTFORD CASUALTY INSURANCE  
COMPANY OF THE MIDWEST and  
HARTFORD FIRE INSURANCE COMPANY,

Defendants.

**AFFIDAVIT OF JOSE C. FRAGA REGARDING  
THE MAILING OF NOTICE AND OPT-BACK IN FORMS**

STATE OF NEW YORK     )  
                                  )   ss.:  
COUNTY OF SUFFOLK    )

Jose C. Fraga, being duly sworn, deposes and says:

1. I am a Senior Director for Operations of The Garden City Group, Inc. ("GCG"). Pursuant to the Order Preliminarily Approving Proposed Settlement, Authorizing Notice to the Class and Setting Fairness Hearing (the "Preliminary Approval Order") dated June 7, 2010, GCG was authorized to act as the Claims Administrator in connection with the above-captioned action (the "Litigation"). I have personal knowledge of the facts stated herein.



**A. MAILING OF THE NOTICE AND ELECTION TO OPT BACK IN PACKET**

2. Pursuant to the Preliminary Approval Order, GCG was responsible for disseminating (1) the Notice of Proposed Class Action Settlement (the "Class Notice") to Class Members and (2) the Election to Opt Back In Packet to those Class Members that had previously excluded themselves from this Litigation in response to the Notice of Pendency. The Election to Opt Back In Packet consists of two (2) documents: (1) The Class Notice and (2) the Election to Opt Back In Form. A copy of the Class Notice is attached hereto as Exhibit A. The Election to Opt Back In Form is attached hereto as Exhibit B.

**B. NOTICE MAILING FOR THIS SETTLEMENT**

3. Pursuant to the Stipulated Settlement Agreement and Release (the "Settlement Agreement"), prior to the mailing of the Class Notice and the Election to Opt Back In Packet, GCG ran the names and addresses of the Class Members through the National Change of Address ("NCOA") Database. Accordingly, GCG replaced and updated our records when the search yielded an updated address.

4. In accordance with the Preliminary Approval Order, the Class Notice was sent via first-class mail to the last known address of 21,697 Class Members on July 7-8, 2010, which included mailing the Election to Opt Back In Packet to the 51 individuals who previously excluded themselves from this Litigation.

5. On August 31, 2010, GCG received updated address information for 64 of the Class Members. That same day, GCG sent Class Notice to these 64 individuals via overnight mail.

**C. PUBLICATION NOTICE**

6. Pursuant to the Preliminary Approval Order, GCG Communications, the media division of GCG, caused the Publication Notice, a copy of which is attached hereto as Exhibit C, to be published on July 8, 2010 in *USA Today*. Attached hereto as Exhibit D is a letter from Erika Fowler, the Principal Clerk of *USA TODAY*, attesting to the publication.

**D. TOLL FREE HELPLINE**

7. Pursuant to the Preliminary Approval Order, GCG also established a toll-free Interactive Voice Response (“IVR”) system to accommodate potential Class Members. The system became operational on or about March 1, 2010 in support of the Notice of Pendency and the revised system became operational on or about July 7, 2010 in support of the Class Notice and Publication Notice. The IVR provides Class Members access to general information about the Settlement and provides the ability to request a copy of the Class Notice. From March 1, 2010 to August 31, 2010, GCG has received a total of 2,601 calls to the toll-free number, and 1,039 of the individuals who called left messages and/or requested to speak with GCG administrators for assistance. All of the messages and requests for assistance were responded to in a timely manner. Since July 7, 2010, GCG has mailed Class Notice to 171 individuals who have requested a Class Notice through our IVR system.

**E. WEBSITE**

8. Additionally, pursuant to the Preliminary Approval Order and the Settlement Agreement, copies of the Notices, Settlement Agreement, and certain other documents from this Litigation, including, without limitation, the Ruling on Class Certification, the Motion for Preliminary Approval of Class Action Settlement, the Preliminary Approval Order, the Application for Award of Attorneys’ Fees and Reimbursement of Expenses, and the Motion for Order Authorizing Incentive Awards for Class Representatives, were posted to the website ([www.HartfordStructuredSettlementClassAction.com](http://www.HartfordStructuredSettlementClassAction.com)) created by GCG, where potential Class Members would have access to information concerning the Settlement.<sup>1</sup> This website became available to the public on or about July 7, 2010, and since then, there have been 15,237 hits from visitors to the website.

**F. ADDITIONAL MAILINGS**

9. In late July, GCG began receiving the Class Notice which was returned as undeliverable by the United States Postal Service (“USPS”). The USPS returned 47 Class Notices to GCG with a forwarding address. GCG promptly re-mailed the Class Notice to the forwarding addresses. When the

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<sup>1</sup> And, in conjunction with the filing of the Motion for Final Approval of Class Action Settlement, that Motion also will be posted on the website.

Class Notice was returned to GCG by the USPS without forwarding addresses, GCG performed an advanced address search. If an updated address was ascertained, GCG re-mailed the Class Notice to the updated address. GCG re-mailed 358 Class Notices to updated addresses as a result of the advanced address search. GCG did not have any Election to Opt Back In Packets returned as undeliverable.

10. GCG also received 46 requests through standard mail, by email, or from Class Counsel to re-mail the Class Notice to a Class Member.

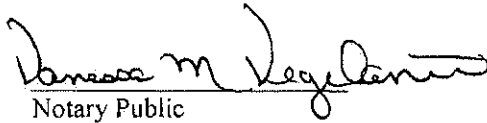
11. In the aggregate, 22,383 Notice Packets were disseminated to Class Members by first class mail.

**G. STATUS OF ELECTION TO OPT BACK IN FORMS**

12. To date, GCG has received and processed 14 Election to Opt Back In forms from Class Members who previously excluded themselves. The deadline to submit the form is September 7, 2010, and accordingly, we may still receive additional forms.

  
Jose C. Fraga

Sworn to before me this  
1<sup>st</sup> Day of September, 2010

  
Notary Public

**VANESSA M. VIGILANTE**  
Notary Public, State of New York  
No. 01VI6143817  
Qualified in Queens County  
My Commission Expires 4-17-2014

# **EXHIBIT A**

**United States District Court  
for the District of Connecticut**

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT**

**If you settled a personal injury or worker's compensation claim with Hartford Accident and Indemnity Company, Hartford Casualty Insurance Company, Hartford Insurance Company of The Midwest, or Hartford Fire Insurance Company, or some other Hartford property & casualty insurance company, and some or all of your settlement was paid with a structured settlement,**

**You Could Get a Payment From a Proposed Class Action Settlement.**

*A federal court authorized this notice. It is not a solicitation from a lawyer. You are not being sued.*

- You may have recently received a notice alerting you to the existence of a Class Action Lawsuit (the "Lawsuit") involving the Hartford Financial Services Group, Inc. ("HFSG") and certain of its subsidiaries<sup>1</sup> (collectively, the "Defendants"). The Lawsuit claims that the Defendants committed fraud and violated federal racketeering laws in connection with "structured settlements" of personal injury and worker's compensation claims. The Hartford denies that it did anything wrong, but it has agreed to settle the Lawsuit in order to avoid the expense and inconvenience of litigation.
- This additional Notice is to inform you that the Court has preliminarily approved the proposed settlement of the Lawsuit (the "Proposed Settlement") between Defendants and a Settlement Class. The Proposed Settlement, if finally approved by the Court, will provide for payment of \$72.5 million (seventy-two million five hundred thousand dollars) into an escrow account (the "Settlement Fund").
- Unless you previously excluded yourself from this class action, this Proposed Settlement, if approved, will affect you. According to The Hartford's records, you settled a personal injury or worker's compensation claim with one of its property and casualty companies ("Hartford P&C") between January 1, 1997 and the present and were paid in whole or in part with a structured settlement.
- If the Proposed Settlement is approved and you did not previously exclude yourself from this class action, you will receive a significant sum of money. You do not have to do anything at this time to receive your payment.
- You do, however, have different rights and options under the Proposed Settlement.

**Your rights and options – and the deadlines to exercise them – are explained in this Notice.  
Please read this Notice carefully.**

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS PROPOSED SETTLEMENT</b>		
<b>You May:</b>	<b>Result</b>	<b>Deadline</b>
Do Nothing No Action Is Necessary Now To Receive Payment	You are eligible to receive a payment under the proposed settlement.	N/A
Object	Write to the Court about what you do not like about the Proposed Settlement. You must be in the Settlement Class to object.	<b>Postmarked on or before September 7, 2010.</b>
Go to a Hearing	Ask to speak in Court about the fairness of the Proposed Settlement. You must be in the Settlement Class to appear in Court.	<b>Postmarked on or before September 7, 2010.</b>

<sup>1</sup> In addition to HFSG, the "Defendants" include Hartford Accident and Indemnity Company, Hartford Casualty Insurance Company, Hartford Insurance Company of The Midwest and Hartford Fire Insurance Company (collectively, "Hartford P&C" companies), and Hartford Life, Inc. and Hartford Life Insurance Company (together, "Hartford Life").

**WHAT THIS NOTICE CONTAINS**

	Pages
<b>Basic Information</b>	
1. Why did I get this Notice?.....	2
2. Why is this Lawsuit a class action? .....	2
3. What is this Lawsuit about?.....	3
4. What do the Defendants say about the Lawsuit? .....	3
5. Why is there a Proposed Settlement? .....	3
6. What does it mean if I am a Settlement Class Member? .....	3
7. Can I file my own lawsuit or demand?.....	3
<b>Who Is Covered By The Proposed Class Action Settlement?</b>	
8. Am I part of the Settlement Class? .....	3
<b>The Terms of the Proposed Settlement</b>	
9. What does the Proposed Settlement provide?.....	4
10. Will the Proposed Settlement affect my existing Structured Settlement payments? .....	4
<b>The Claims Distribution Process</b>	
11. How will the Proposed Settlement be distributed to the Settlement Class Members? .....	4
12. How much will my payment be? .....	4
13. When will I get my payment? .....	4
<b>Release of Rights and Dismissal of the Lawsuit</b>	
14. What am I giving up if I remain a Settlement Class Member? .....	4
<b>Restoring your Rights to Participate in the Proposed Settlement</b>	
15. What if I previously excluded myself from the Class, but now I would like to receive money from this Proposed Settlement? .....	5
<b>Objecting to the Proposed Settlement</b>	
16. How do I object to the Proposed Settlement? .....	5
<b>The Lawyers Representing You – Class Counsel</b>	
17. Do I have lawyers in this Lawsuit? .....	5
18. How will the lawyers be paid? .....	6
19. Should I get my own lawyer? .....	6
<b>The Court's Fairness Hearing</b>	
20. When and where will the Court decide whether to approve the Proposed Settlement? .....	6
21. Do I have to come to the hearing? .....	6
22. May I speak at the hearing? How do I appear in the Lawsuit? .....	6
<b>What if I Do Nothing?</b>	
23. What happens if I do not do anything at all? .....	6
<b>Tax Consequences</b>	
24. Could there be tax consequences? .....	7
<b>Confidentiality</b>	
25. Will my personal information be kept confidential? .....	7
<b>Getting More Information</b>	
26. What if I have questions or want more information? .....	7
Appendix A – Release .....	8

**BASIC INFORMATION**

**1. Why did I get this Notice?**

You received this Notice because the Defendants' records indicate that you are a Settlement Class Member. If you are a Settlement Class Member, you will be entitled to a payment unless you excluded yourself previously.

The Court said that you should be sent this Notice because you have the right to know about this class action lawsuit and how it may affect you. The Court has not approved the Proposed Settlement yet. If the Court approves the Proposed Settlement and resolves any objections or appeals, an administrator (the "Claims Administrator") will make payments to Settlement Class Members.

**2. Why is this Lawsuit a class action?**

In a class action, one or more persons called "Class Representatives" sue on behalf of other persons with similar claims. In this case, there are three Class Representatives: Oshonya Spencer, Charles Strickland, and Douglas McDuffie. The Class Representatives and the persons on whose behalf they have sued are together a "Class" or "Class Members." They are also called the Plaintiffs.

The companies that have been sued are called the Defendants. In this case, there are seven Defendants: The Hartford Financial Services Group, Inc.; Hartford Life, Inc.; Hartford Life Insurance Company; Hartford Accident and Indemnity Company; Hartford Casualty Insurance Company; Hartford Insurance Company of the Midwest; and Hartford Fire Insurance Company.

In a class action lawsuit, one court resolves the issues for everyone in the Class.

The Court has decided that this lawsuit can be a class action because it meets the requirements of Federal Rule of Civil Procedure 23, which governs class actions in federal courts. Specifically, the Court has found that:

- There are likely thousands of members of the Class with common legal or factual issues relating to the claims in this case.
- The claims of the Class Representatives are typical of the claims of the rest of the Class.
- The Class Representatives and the lawyers representing the Class will fairly and adequately protect the Class's interests.
- The common legal questions and facts are more important than questions affecting only individual members of the Class, and this class action will be more efficient than individual lawsuits.

The class action is known as *Spencer, et al. v. The Hartford Financial Services Group, Inc., et al.*, Civ. No. 3:05-cv-1681 (JCH). Judge Janet C. Hall of the United States District Court for the District of Connecticut is overseeing this class action.

### **3. What is this Lawsuit about?**

The lawsuit alleges that Defendants committed fraud in connection with the payment of structured settlements that were part of settlements of personal injury and worker's compensation claims brought against persons or entities insured by Hartford P&C companies. The lawsuit alleges that the Defendants defrauded class members out of the full amount of the structured settlements the Hartford P&C companies agreed to pay by providing class members with structured settlements worth 15% less than their promised cost or value, and fraudulently retaining the 15% for themselves. The lawsuit alleges that Defendants violated the federal Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. §§ 1962(c) and 1962(d), and committed fraud under state laws, and seeks damages representing three times the amount that the Defendants wrongfully retained as a result of the alleged conduct, plus interest, attorneys' fees and costs.

### **4. What do the Defendants say about the Lawsuit?**

The Defendants deny that they did anything wrong and deny that they are liable for damages to any Plaintiff or member of the class. The Defendants contend that all persons who accepted structured settlements received all the benefits they were promised, that the cost and value of those benefits were accurately represented, that Defendants did not wrongfully retain 15% or any other amounts owed to the Plaintiffs, and that the Plaintiffs did not suffer any damages.

### **5. Why is there a Proposed Settlement?**

Both sides believe their claims or defenses would have won in this Lawsuit. Both sides agreed to settle the Lawsuit before the Court decided who would win, in order to avoid the risk, delay and expense of continuing the litigation. This way, if the Proposed Settlement is finally approved by the Court, Settlement Class Members will be eligible to receive compensation without a trial.

The Class Representatives, on their own behalf and on behalf of all Settlement Class Members, have entered into a Proposed Settlement with the Defendants. The Court has preliminarily approved this Proposed Settlement. The Class Representatives and Class Counsel think the Proposed Settlement is best for all Settlement Class Members. This Notice summarizes the terms of the Proposed Settlement, your rights and obligations under the Proposed Settlement, and the process by which the Court will determine whether or not to finally approve the Proposed Settlement.

### **6. What does it mean if I am a Settlement Class Member?**

If you are a Settlement Class Member, and did not previously exclude yourself, the decisions made by the Court in this Lawsuit will apply to you. If the Court approves the Proposed Settlement, you cannot sue any of the Defendants on your own for the claims in this Lawsuit and/or the Released Claims (defined in Appendix A). It also means that you will be eligible for a payment under the Proposed Settlement.

### **7. Can I file my own lawsuit or demand?**

No, unless you previously excluded yourself from this Lawsuit. As part of the Court's preliminary approval of the Proposed Settlement entered on June 7, 2010, the Court entered an injunction/stay order that prohibits other lawsuits for the claims made in this Lawsuit.

## **WHO IS COVERED BY THE PROPOSED CLASS ACTION SETTLEMENT?**

### **8. Am I part of the Settlement Class?**

**IMPORTANT: The Court's definition of the Class controls whether or not you are a Settlement Class Member.**

You are a Settlement Class Member and eligible for a Settlement Payment if:

- You entered into a settlement with one of the Hartford P&C companies between 1997 and the present in which some or all of the settlement amount was to be paid as a structured settlement funded with an annuity from Hartford Life, AND you received a written representation that made explicit or implicit reference to the "cost" or "value" of the settlement or portion of the settlement being structured or the "cost" or "value" of an annuity being used to fund the structure.

## THE TERMS OF THE PROPOSED CLASS ACTION SETTLEMENT

### 9. What does the Proposed Settlement provide?

Under the terms of the Proposed Settlement, Defendants will place \$72.5 million into a Gross Settlement Fund. The costs of administering the settlement, plus attorneys' fees and litigation expenses, and Court-approved payments to the Class Representatives, will be paid out of the Gross Settlement Fund. The remainder, the Net Settlement Fund, will be distributed to the Settlement Class Members through the process described in Questions 11-13.

### 10. Will the Proposed Settlement affect my existing Structured Settlement payments?

No. This Proposed Settlement does not affect your original settlement agreement with a Hartford P&C Company in any way. It will not change the amount or timing of your payments under your structured settlement. Hartford Life will continue to have the obligation to make any outstanding structured settlement payments.

## THE CLAIMS DISTRIBUTION PROCESS

### 11. How will the Proposed Settlement be distributed to the Settlement Class Members?

Under the terms of the Proposed Settlement, Defendants will pay \$72.5 million into a Gross Settlement Fund. The costs of administering the settlement, plus attorneys' fees and litigation expenses, and Court-approved payments to the Class Representatives, will be paid out of the Gross Settlement Fund. The remainder, the Net Settlement Fund, will be distributed on a "pro rata" basis to all qualified Settlement Class Members. A "pro rata" distribution means that each Settlement Class Member will receive a share of the Net Settlement Fund that is proportional to the size of his or her structured settlement annuity, as measured by the premium paid for the annuity.

### 12. How much will my payment be?

Your share of the Net Settlement Fund will depend upon the size of your structured settlement, which is determined by the premium used to purchase the annuity funding your structured settlement. Those whose settlements were funded by larger annuities will get more money than those whose settlements were funded by smaller annuities. Each Settlement Class Member's proportional, pro rata recovery will be determined using a Court-approved Plan of Allocation. You are not responsible for calculating the amount you may be entitled to receive under the Settlement. This calculation will be done by the Claims Administrator as part of the implementation of the Settlement.

Money from the Proposed Settlement will only be distributed to Settlement Class Members if the Court grants final approval of the Proposed Settlement.

### 13. When will I get my payment?

Payment is conditioned on several matters, including the Court's approval of the Proposed Settlement and such approval being final and no longer subject to any appeals to any court. Upon satisfaction of various conditions, the Net Settlement Fund will be allocated to Class Members on a pro rata basis pursuant to the Plan of Allocation as soon as possible after final approval has been obtained for the Settlement. Any appeal of the final approval could take several years. Any interest that accrues on the Settlement Fund after final approval will be included, pro rata, in the amount paid to the Class Members after the payment of costs, expenses and attorneys' fees. The Proposed Settlement may be terminated on several grounds, including if the Court does not approve or materially modifies the Settlement. Should the Proposed Settlement be terminated, the Lawsuit will proceed as if the Proposed Settlement had not been reached.

## RELEASE OF RIGHTS AND DISMISSAL OF THE LAWSUIT

### 14. What am I giving up if the settlement is approved and I did not previously exclude myself from this Lawsuit?

If the Proposed Settlement is approved, the Lawsuit will be dismissed with prejudice. This means that the Lawsuit cannot be re-filed. As a result, all members of the Settlement Class give up all the claims covered in this Lawsuit and Settlement against the Defendants. This means you are releasing the Defendants, and you will be bound by that release. You cannot sue any of the Defendants for the same claims.

This also means that your heirs, beneficiaries, agents or anyone who legally represents you, now or in the future, also give up their claims as covered in this Lawsuit and Settlement. They cannot sue any of the Defendants for these claims.

**IMPORTANT:** The full Release, attached as Appendix A to this Notice, will control your legal rights. You should read it very carefully, and contact the Claims Administrator or Class Counsel if you have any questions.

*If you are a Settlement Class Member you will be bound by the Proposed Settlement, including the Release and dismissal with prejudice.*



**RESTORING YOUR RIGHTS TO PARTICIPATE IN THE PROPOSED SETTLEMENT**

**15. What if I previously excluded myself from the Class, but now I would like to receive money from the Proposed Settlement?**

The Court has decided that anyone who previously excluded him or herself from the Class will now have the opportunity to "opt in" to or rejoin the Settlement Class. In order to rejoin the Settlement Class, you must send a letter by First-Class U.S. mail saying that you previously excluded yourself from *Spencer, et al. v. Hartford Financial Services Group, Inc., et al.* and that you now want to be included in the Settlement Class. Be sure to include your full name, address, telephone number, and your signature. You must mail your opt-in request postmarked on or before September 7, 2010 to, *Spencer v. The Hartford Financial Services Group, Inc., c/o The Garden City Group, Inc., P.O. Box 9349, Dublin, OH 43017-4249.*

**If you did not previously opt-out of the class, you do not need to send an opt-in request to the Claims Administrator. You are a Settlement Class Member and do not have to do anything to receive your payment if the settlement is approved.**

**OBJECTING TO THE PROPOSED SETTLEMENT**

**16. How do I object to the Proposed Settlement?**

As a Settlement Class Member, you may object to any aspect of the Proposed Settlement, including:

- Final certification of the Settlement Class.
- The fairness, reasonableness, or adequacy of the Proposed Settlement.
- The adequacy of the representation by the Class Representatives or by Class Counsel.
- The request of Class Counsel for attorneys' fees, costs and expenses and awards to the Class Representatives.

Your objection must be in writing and must include:

1. The name of the case: "*Spencer, et al. v. Hartford Financial Services Group, Inc., et al.*";
2. Your full name;
3. Your annuity number (if known);
4. Your address and telephone number;
5. A statement of your objection(s), as well as the specific reasons for each objection, including any legal authority you wish to bring to the Court's attention;
6. A statement indicating if you intend to appear at the Fairness Hearing;
7. A list of witnesses whom you may call by live testimony; and
8. Copies of any documents or papers that you plan to submit.

Your objection must be sent by First-Class mail, postage prepaid, and be postmarked no later than September 7, 2010. You must file your objection with the Court at the following address:

**United States District Court for the District of Connecticut  
Clerk of the Court  
915 Lafayette Boulevard  
Bridgeport, CT 06604**

You must also mail a copy of your objection to:

<b><u>Class Counsel</u></b>	<b><u>Defendants' Counsel</u></b>
Silver Golub & Teitell LLP	Wiggin & Dana
184 Atlantic Street	400 Atlantic Street
P.O. Box 389	P.O. Box 110325
Stamford, CT 06904	Stamford, CT 06911

***If you do not follow these procedures and submit your objection by the deadline, the Court will not hear your objection.***

**THE LAWYERS REPRESENTING YOU – CLASS COUNSEL**

**17. Do I have lawyers in this Lawsuit?**

Yes. The Court has appointed the following lawyers and law firms as "Class Counsel" to represent you and the other Settlement Class Members:

David S. Golub	Carl S. Kravitz	Peter R. Kahana	Richard B. Risk, Jr.
Jonathan M. Levine	Caroline E. Reynolds	Steven L. Bloch	Risk Law Firm
Silver Golub & Teitell LLP	Zuckerman Spaeder LLP	Berger & Montague, P.C.	3417 East 76th Street
184 Atlantic Street	1800 M Street NW	1622 Locust Street	Tulsa, OK 74136
P.O. Box 389	Washington, DC 20036	Philadelphia, PA 19103	(918) 494-8025
Stamford, CT 06904	(202) 778-1800	(215) 875-3000	www.risklawfirm.com
(203) 325-4491	www.zuckerman.com	www.bergermontague.com	
www.sgtlaw.com			

**18. How will the lawyers be paid?**

At the Fairness Hearing (discussed in Questions 20-22 below), the Court will decide if it should approve the Proposed Settlement. It will also decide whether or not to approve Class Counsel's request for attorneys' fees and expenses. Class Counsel will request attorneys' fees of up to 33% of the \$72,500,000 Settlement Fund. Class Counsel will also request reimbursement of litigation expenses from the Settlement Fund. Class Counsel will also ask the Court to approve payments of \$30,000 to each of the three Class Representatives for their services. These payments, as approved by the Court, would be deducted from the Settlement Fund. No Settlement Class Member will be asked to pay attorneys' fees or expenses out of pocket in connection with this Lawsuit.

The fees and payments will pay Class Counsel and the Class Representatives for investigating the facts and litigating the Lawsuit, negotiating the Proposed Settlement, and monitoring Settlement Class Members' rights during approval and administration of the Proposed Settlement. The payment for litigation expenses will reimburse Class Counsel for actual expenses they incurred, and paid, in connection with pursuing the Lawsuit. Defendants have agreed not to oppose these payments.

**19. Should I get my own lawyer?**

You do not need to hire your own lawyer because Class Counsel is working on your behalf. However, if you wish to do so, you may retain your own lawyer at your own expense.

**THE COURT'S FAIRNESS HEARING**

**20. When and where will the Court decide whether to approve the Proposed Settlement?**

The Court will hold a Fairness Hearing at 10:00 a.m. on September 21, 2010 at the Brien McMahon Federal Building at 915 Lafayette Boulevard in Bridgeport, Connecticut. At this hearing, the Court will consider: (1) whether the Proposed Settlement is fair, reasonable, and adequate and if it should be approved; (2) the proposed allocation of the Net Settlement Fund to Settlement Class Members; (3) Class Counsel's application for an award of attorneys' fees and expenses; and (4) any payments to the Class Representatives for their services. If there are objections, the Court will also consider them.

Persons who have followed the procedures described in Questions 16 and 22 may appear and be heard by the Court. After the hearing, the Court will decide whether to approve the Proposed Settlement. It is not known how long these decisions will take.

**21. Do I have to come to the hearing?**

No. Class Counsel will answer any questions the Court may have. But, you are welcome to come at your own expense. If you send a timely and proper objection, the Court will consider it whether or not you attend the hearing. You may also pay your own lawyer to attend, but it is not required.

**22. May I speak at the hearing? How do I appear in the Lawsuit?**

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must notify the Court and Parties in writing. This is called a Notice of Intent to Appear. Your Notice of Intent to Appear must contain:

1. The name of the case: "Spencer, et al. v. Hartford Financial Services Group, Inc., et al."
2. The words, "Notice of Intent to Appear"
3. Your full name, address, telephone number, and signature; and
4. If an attorney will appear on your behalf, the attorney's full name, address, telephone number, and bar number.

**Your Notice of Intent to Appear must be sent by First-Class mail, postage prepaid, and be postmarked no later than September 7, 2010. You must file your Notice of Intent to Appear by sending it to the addresses listed in Question 16 of this Notice. You cannot speak at the hearing if you previously excluded yourself from this Action.**

**WHAT IF I DO NOTHING?**

**23. What happens if I do not do anything at all?**

If you did not previously exclude yourself, then you are a Settlement Class Member. If the proposed settlement is approved, you will get money from the Proposed Settlement if you do nothing. You will also be bound by the Proposed Settlement, including the Release and dismissal with prejudice.

**TAX CONSEQUENCES**

**24. Could there be tax consequences?**

The tax consequences of the Proposed Settlement may vary, depending upon your individual circumstances. You should consult your own tax advisor regarding any tax consequences of the Proposed Settlement. Class Counsel is not providing any tax advice to Settlement Class Members.

**CONFIDENTIALITY**

**25. Will my personal information be kept confidential?**

Yes. The Court has ordered that names, addresses, policy numbers, and other information are confidential. No person, other than individuals employed by Defendants, or to whom Defendants have expressly permitted access, shall be allowed access to any such information except:

- Class Counsel, and attorneys, consultants and clerical personnel employed by Class Counsel, and/or agents or employees of any such persons or entities.
- The Claims Administrator, and personnel employed by the Claims Administrator, and/or agents or employees of any such persons or entities.
- Such other persons as the Court may order after hearing and notice to all counsel of record.

**GETTING MORE INFORMATION**

**26. What if I have questions or want more information?**

This notice summarizes the proposed Settlement. The complete Settlement is set forth in Settlement Agreement. You may obtain a copy of the Settlement Agreement and any other documents relating to the proposed Settlement by writing or calling the Claims Administrator at the contact information provided below, or by visiting the settlement website described below. All questions concerning this Notice, and any other questions and requests for information should be addressed as follows:

*Spencer v. The Hartford Financial Services Group, Inc.*  
c/o The Garden City Group, Inc.  
P.O. Box 9349  
Dublin, OH 43017-4249.

Information is also available by calling toll-free to 1-800-951-2135 or online at [www.HartfordStructuredSettlementClassAction.com](http://www.HartfordStructuredSettlementClassAction.com).

**PLEASE DO NOT WRITE OR CALL THE COURT  
OR THE CLERK'S OFFICE FOR INFORMATION.**

**July 7, 2010**

**BY ORDER OF THE COURT**

UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT  
915 LAFAYETTE BOULEVARD  
BRIDGEPORT, CT 06604

## APPENDIX A

Upon Final Approval, The Hartford, and their past, present and future parents, subsidiaries, divisions, affiliates, stockholders, officers, directors, insurers, general or limited partners, employees, brokers, agents, attorneys and any of their legal representatives, and any third party acting on The Hartford's behalf in the structured settlement transactions (the "Released Parties") are and shall be released and forever discharged from all manner of claims, demands, actions, suits, causes of action, damages and liabilities, including costs, expenses, penalties and attorneys' fees, known or unknown, suspected or unsuspected, in law or equity, that any members of the Settlement Class (including beneficiaries of Settlement Class Members), whether or not they object to the Settlement and whether or not they make a claim upon or receive a distribution from the Net Settlement Fund, ever had, now have, or hereafter can, shall or may have, directly, representatively, derivatively or in any other capacity, to the extent arising out of or relating to the claims and causes of action alleged and asserted, and any and all claims and causes of action that could have been asserted (including, but not limited to, any and all such claims and causes of action under applicable state Claim Practices Act), in this Action against The Hartford, provided that such conduct occurred or allegedly occurred prior to the date of this Settlement Agreement, except as expressly provided for below (the "Released Claims"). Each Settlement Class Member covenants and agrees that each shall not sue or otherwise seek to establish or impose liability against any Released Party predicated on the Released Claims. Persons who: (i) timely and properly excluded themselves in response to the prior Notice of Pendency of Class Action; (ii) did not elect to opt back in to the Action as provided for in the Settlement Agreement; and; (iii) as a result, are recognized by the Court as being excluded from this Action, shall not be bound by the Release in this Section; nor do such excluded persons covenant and agree not to sue or otherwise seek to establish or impose liability against any Released Party on the Released Claims.

In addition, each Settlement Class Member hereby expressly waives and releases, upon Final Approval, any and all provisions, rights and/or benefits conferred by § 1542 of the California Civil Code, which reads:

Section 1542. General Release – Claims Extinguished. A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

or by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable or equivalent to §1542 of the California Civil Code. Each Settlement Class Member may hereafter discover facts other than or different from those which he, she or it knows or believes to be true with respect to the Released Claims, but each Settlement Class Member expressly waives and fully, finally and forever settles and releases, upon Final Approval, any known or unknown, suspected or unsuspected, contingent or non-contingent claim that would otherwise fall within the definition of Released Claims, whether or not concealed or hidden, without regard to the subsequent discovery or existence of such different or additional facts. For the avoidance of doubt, each Settlement Class Member also hereby expressly waives and fully, finally and forever settles and releases any and all claims they may have against any Released Party under § 17200, et seq., of the California Business and Professions Code or any similar comparable or equivalent provision of the law of any other state or territory of the United States or other jurisdiction, which claims hereby are expressly incorporated into the definition of Released Claims.

The Released Claims shall not include the claims of Settlement Class Members against the Released Parties, or the Released Parties' agents or assigns, based upon the Released Parties' contractual obligation to make the payments specified in the structured settlements previously entered into between the Settlement Class Members and the Released Parties, such as claims for the late payment or non-payment of these amounts, or any claims to enforce rights and obligations previously established by, or pursuant to, the structured settlements between the Released Parties and any Settlement Class Members (or their beneficiaries). Further, the Settlement Class Members do not release any claims that have been reduced to judgment in a trial court, whether or not that judgment has been resolved on appeal. Nor do they release any claims not expressly released above.

In addition, to the extent that any Settlement Class Member is an insured of The Hartford, nothing in this Release shall be deemed to alter a Settlement Class Member's contractual rights, including, without limitation, the right to make a future claim for benefits pursuant to the terms of any policy issued by The Hartford; provided, however, that this provision shall not entitle a Settlement Class Member to assert claims which constitute Released Claims.

# **EXHIBIT B**

## Election to Opt Back In

THIS FORM CONCERNS THE SPENCER v. THE HARTFORD CLASS ACTION.

IT HAS ALREADY BEEN DETERMINED THAT YOU QUALIFY TO BE A MEMBER OF THE SETTLEMENT CLASS BECAUSE YOU PREVIOUSLY ENTERED INTO A STRUCTURED SETTLEMENT WITH THE HARTFORD.

HOWEVER, YOU PREVIOUSLY REQUESTED TO EXCLUDE YOURSELF FROM THIS ACTION. HAD YOU NOT EXCLUDED YOURSELF YOU WOULD BE ENTITLED TO RECEIVE A PAYMENT FROM THE PROPOSED SETTLEMENT IF THE SETTLEMENT IS APPROVED BY THE COURT.

UNDER THE PROPOSED SETTLEMENT YOU MAY OPT BACK INTO THIS ACTION BY SIGNING THE ELECTION TO OPT IN BELOW, AND MAILING THIS FORM TO THE ADDRESS PROVIDED POSTMARKED NO LATER THAN SEPTEMBER 7, 2010. UNLESS YOU RETURN THIS FORM POSTMARKED BY SEPTEMBER 7, 2010, YOU WILL REMAIN EXCLUDED AND YOU WILL NOT RECEIVE A PAYMENT UNDER THE PROPOSED SETTLEMENT.

*A federal court authorized this notice. It is not a solicitation from a lawyer. You are not being sued.*

**IMPORTANT NOTE:** The information provided in this Notice of Settlement Distribution Form is confidential and will be kept confidential.

**IMPORTANT NOTE:** Completing and submitting this Claim Form will not have any effect on the terms of your existing structured settlement with The Hartford or any payments that remain due to you under the terms of your structured settlement. Your structured settlement will remain in full force and effect, and The Hartford will still be obligated to make any and all payments due to you, whether now or in the future, under the original terms of your structured settlement.

### Your Information

Name: \_\_\_\_\_  
                    *First*                                    *M.I.*                                    *Last*                                    *Jr., Sr., III, etc.*

Address: \_\_\_\_\_  
                    *Street or P.O. Box*

\_\_\_\_\_  
*Street or P.O. Box, cont'd*

\_\_\_\_\_  
*City*                                    \_\_\_\_\_  
*State*                                    \_\_\_\_\_  
*Zip*                                    \_\_\_\_\_  
                                    + 4

Home Telephone #: \_\_\_\_\_ Work Telephone #: \_\_\_\_\_

### Information about Your Structured Settlement

Annuity Number(s): \_\_\_\_\_

Name of Annuitant: \_\_\_\_\_

### Your Election to Opt Back In

I elect to opt back in to the Spencer v. The Hartford Class Action. Executed on \_\_\_\_\_, 2010 (Date)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Please enclose this form in the provided pre-addressed, postage paid envelope and mail it to:

Spencer, et al. v. Hartford Financial Services Group, Inc., et al.  
c/o The Garden City Group, Inc.  
P.O. Box 9349  
Dublin, OH 43017-4249

**YOU MUST MAIL THIS FORM POSTMARKED ON OR BEFORE SEPTEMBER 7, 2010.**

# EXHIBIT C

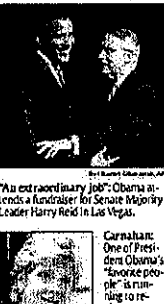
Washington



"We're going to give her some help!" President Obama hugs Sen. Barbara Boxer on May 25 in San Francisco.



"Raise more money," President Obama greets Sen. Michael Bennet, D-Colo., on Feb. 18 in Denver.



"An extraordinary job": Obama attends a fundraiser for Senate Majority Leader Harry Reid in Las Vegas.

President trying to maintain majority

President Obama heads to Missouri and Nevada today for campaign events as he tries to protect the Democratic majority in the Senate. USA TODAY's Naomi Jagoda looks at Obama's campaign efforts for Senate candidates this year:

Candidate	Barbara Boxer D-Calif.	Michael Bennet D-Colo.	Harry Reid D-Nev.	Robin Carnahan D-Mo.
Date(s)	May 25, April 19	Feb. 18	Today, May 26, 2009	Today
Why the state matters	California has competitive races for Senate and governor this year. The state is reliably Democratic in presidential elections.	Obama won Colorado after the state voted for George W. Bush in 2000 and 2004. In the state's Democratic caucuses in 2008, he defeated Hillary Rodham Clinton by a 24-point vote.	Nevada went for Obama in 2008 after voting Republican in 2000 and 2004. As the Senate's Democratic leader, Reid is one of the top Republican targets this year.	Missouri, a bellwether in national politics, narrowly voted for Republican John McCain in 2008. Obama lost the Show Me State by less than 4,000 votes.
What Obama has said	"When it comes to Barbara Boxer... if she calls and she says, 'I need some help,' then we're going to give her some help."	"As hard as you worked in 2008, you've got to work harder in 2010. If you raised money for me, I want you to raise more money for Michael Bennet."	"The last few years Harry has done an extraordinary job as the leader of the Senate, and that's not easy."	"When Obama spoke at a Missouri ethanol plant in April, he called Carnahan 'one of the greatest people who I believe is going to be doing outstanding things'."
Campaign notables	Boxer easily won re-election June 8, but she faces a tough general election opponent in GOP nominee Carly Fiorina, former CEO of Hewlett-Packard.	Bennet was appointed after Ron Salazar became Obama's interior secretary. The Democrat faces a primary challenge Aug. 10 from Andrew Romanoff, whom the White House tried to get out of the race.	Reid's re-election chances improved after Roy Blunt to replace retiring GOP Sen. Kit Bond. Obama's popularity has helped Reid's chances, but Carnahan has said she does not believe he will be a factor in the race.	Carnahan is in a tough race with Republican Roy Blunt to replace retiring GOP Sen. Kit Bond. Obama's popularity has helped Reid's chances, but Carnahan has said she does not believe he will be a factor in the race.

Sotomayor's GOP 'yea' votes remain mute on Kagan

Of 9 Republicans who supported Obama's 1st nominee, 1 is retired

By Kathy Kelly USA TODAY

WASHINGTON — Eight Republican senators who voted in favor of President Obama's first Supreme Court nominee last year are not yet ready to say what they are going to do about the second.

A USA TODAY survey of the Senate offices Wednesday found that only one Republican senator is ready to announce his opposition to Kagan, in a column on USA TODAY's website. The senator wrote that he will vote against Kagan because, as dean of Harvard Law School, the unmistakably discolored Harvard students from considering a career in the military.

south; Susan Collins and Olympia Snowe, both of Maine; Lindsey Graham of South Carolina; Judd Gregg of New Hampshire; Richard Lugar of Indiana; and George Voinovich of Ohio.

Two other Republicans were not in the Senate to vote on Sotomayor. Florida Sen. George LeMunoz replaced Martinez, Scott Brown of Massachusetts won a January special election to finish Democrat Edward Kennedy's term.

Brown joined Sen. John Kerry, D-Mass., in the traditional home-state senator's role of introducing Kagan to the Judiciary Committee at the beginning of her confirmation hearing.

How Republican senators would support her nomination.

How Republican senators ultimately come down on Kagan will say more about the effect of the GOP's year politics and President Obama's poll numbers than about the ultimate outcome of her nomination.

Given the Democrats' 58-41 voting edge over the GOP in the Senate, Kagan's confirmation appears assured. The only way Republicans can stop her from becoming the Supreme Court is to use a filibuster to block a vote. Two members of the GOP leadership, Sen. Jon Kyl of Arizona and John Cornyn of Texas, have ruled that out.

The Republicans who have announced opposition to Kagan so far also voted 90 when the Senate confirmed Sotomayor, 68-31, last year.

Besides McCain, they are: Senate Minority Leader Mitch McConnell of Kentucky; Bob Bennett and Chris Hatch, both of Utah; Lisa Murkowski of Alaska; James Inhofe of Oklahoma; and Jim DeMint of South Carolina.

Contributing: Naomi Jagoda, Maureen Grupp, Gannett Washington Bureau



McCleese, Seventh Republican to oppose Kagan.



Kagan Panel vote on nomination likely by July 20.

Appointee will have major role in implementing health care law

By John Fritze USA TODAY

WASHINGTON — The pediatrician and Harvard University professor President Obama appointed Wednesday to run Medicare and Medicaid will play a central role in implementing the nation's new health care law, predecessors and outside experts said.

Donald Berwick, whom Obama named to head the Centers for Medicare and Medicaid Services, drew praise from top medical groups, including the American Medical Association, but Republicans criticized the administration's decision to use a recess appointment to bypass the Senate confirmation process.

Although the agency is little-known outside the medical industry, it controls an annual budget of more than \$300 billion and oversees two health programs — Medicare for seniors and Medicaid for the poor — with more than 90 million enrollees.

"Everything he does hospital day has an impact on every doctor, every hospital and every patient in the country," said Thomas Scully, who runs the agency from 2001 to 2004.

Berwick will also play a pivotal role in implementing Obama's health care law — from finding a way to trim about \$500 billion out of Medicare to the most drastic to expanding Medicaid coverage by

16 million people. The agency has "very broad authority under the new law," said Mark McClellan, who ran the agency from 2004 through 2006.

Obama nominated Berwick, 63, for the position April 19 but faced opposition from Republicans such as Senate Minority Leader Mitch McConnell, who called Berwick an "open on morning."

The Senate Finance Committee did not schedule a hearing on his appointment. Nearly 200 nominees are pending in the Senate. White House spokesman Mark Robinson said the administration was forced to take action to avoid further delay on the critical post.

Republicans pounced on Obama's decision to bypass the regular appointment process. Iowa Sen. Chuck Grassley, the top-ranking Republican on the Finance Committee, said, "Accountability... and transparency have been thrown outboard."

Sen. Max Baucus, D-Mont., who chairs the Finance Committee, also said he was "troubled" by the appointment process.

Nominations must be confirmed by the Senate, but the Constitution also lets the president make temporary appointments when Congress is in recess. Obama has made 18 recess appointments. George W. Bush made 171 such appointments while in office, and Bill Clinton made 179, according to the non-partisan Congressional Research Service.



Berwick got post without Senate OK.

Feelers out on filling Byrd seat

W.Va. governor seeks ruling on special election

The Associated Press

CHARLESTON, W.Va. — West Virginia Gov. Joe Manchin asked Wednesday for a ruling on whether a special election can be held to fill Democrat Robert Byrd's Senate seat and said he would consider running.

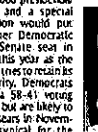
Manchin requested an opinion from Attorney General Garrett McGraw on whether the seat could be filled this year instead of 2012, when Byrd would have been up for re-election. Manchin also asked whether he has the power to declare a special election.

Manchin said he would arrange to have himself appointed to Byrd's seat. Asked at a Wednesday news conference whether he would be a candidate in a special election, he replied, "I would highly consider that."

Manchin would consider own race.

Manchin said he would arrange to have himself appointed to Byrd's seat. Asked at a Wednesday news conference whether he would be a candidate in a special election, he replied, "I would highly consider that."

Byrd, 92, was the longest-serving senator in history when he died last week of a lengthy illness after 30 months left in this term.



Manchin would consider own race.

LEGAL NOTICE

If you settled a personal injury or worker's compensation claim with Hartford Accident And Indemnity Company, Hartford Casualty Insurance Company, Hartford Insurance Company Of The Midwest, Hartford Fire Insurance Company, or some other Hartford property & casualty insurance company, and some or all your settlement was paid with a structured settlement,

YOU COULD GET A PAYMENT FROM A PROPOSED CLASS ACTION SETTLEMENT.

The United States District Court for the District of Connecticut has given preliminary approval for settlement of a class action lawsuit against the Hartford Insurance Companies (the "Hartford Class Action"). The Hartford Class Action lawsuit is brought by the Plaintiff Class Members (the "Class") against the Defendant Class Members (the "Defendants"). The Class Action lawsuit is brought by the Plaintiff Class Members (the "Class") against the Defendant Class Members (the "Defendants").

What is the Case About?

The Plaintiff Class Members claim that the Defendant Class Members failed to disclose to them the full amount of the structured settlement of the Hartford P&C contracts agreed to by the Plaintiff Class Members with structured settlements worth 10% less than they promised out of value and fraudulently retaining the 10% for themselves. The Plaintiff Class Members claim that the Defendant Class Members failed to disclose to them the full amount of the structured settlement of the Hartford P&C contracts agreed to by the Plaintiff Class Members with structured settlements worth 10% less than they promised out of value and fraudulently retaining the 10% for themselves.

What are the Terms of the Settlement?

Under the terms of the Proposed Settlement, the Defendant Class Members will pay 10% of the Plaintiff Class Members' structured settlements, plus attorney fees and litigation expenses, and Court-approved costs of the Class Action lawsuit, out of the Plaintiff Class Members' structured settlements.



# **EXHIBIT D**



7950 Jones Branch Drive • McLean, Virginia 22108  
(703) 854-3400



VERIFICATION OF PUBLICATION

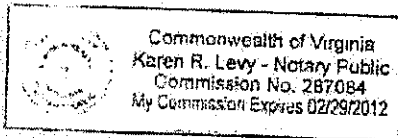
COMMONWEALTH OF VIRGINIA  
COUNTY OF FAIRFAX

Being duly sworn, Erika Fowler says that she is the principal clerk of USA TODAY, and is duly authorized by USA TODAY to make this affidavit, and is fully acquainted with the facts stated herein; on **Thursday, July 8, 2010** the following legal advertisement – **Hartford Financial Service Group (HFI)** - was published in the national editions of USA TODAY.

*Erika Fowler*  
Principal Clerk of USA TODAY  
July 8, 2010

This 8<sup>th</sup> day of July month  
2010 year.

*Karen R. Levy*  
Notary Public



# EXHIBIT C

AUG 30 2010

Judge Janet C. Hall,

FILED

2010 SEP -1 A 8:48

My name is Ashley De La Cruz  
 and in December 1997 I settled  
 with Hartford insurance.  
 They settled upon with my  
 mother I shall receive \$350.<sup>00</sup>  
 a month for four years. As a  
 young adult three hundred  
 and fifty dollars a month  
 doesn't really pay for anything.  
 I have plans I still live  
 at home with my mother I  
 will be 19 in a few months.  
 I can't keep a job due to a  
 knee injury so I depend on  
 my structure settlement but,  
 it doesn't pay for much.  
 So I object how do I know  
 they didn't cheat me out  
 of alot more money.

If you have  
 any questions  
 or concerns  
 please contact  
 me at (580)  
 301-7210  
 thank-you

Signed,  
 Ashley  
 DeLaCruz

# EXHIBIT D

copy for class counsel:  
Silver Golub & Teitell LLP

August 1, 2010

Christine B. Silver  
P.O. Box 1972  
Kapa'a, HI 96746  
(808) 823-8417

United States District Court for the District of Connecticut  
Clerk of the Court  
915 Lafayette Boulevard  
Bridgeport, CT 06604

"Spencer, et al. v. Hartford Financial Services Group, Inc., et al."

Your Honor,

Hartford company insures a newspaper company that employs a woman who hit me with her car and crushed my legs while she was delivering newspapers in Cleveland, Ohio. My surgeries and hospital costs were around \$100,000. My legs still need more surgery. Hartford and my attorneys took seven years examining the case and preparing the paperwork. Because of the strain of the legal process, the extreme delay, and that I could not afford the medical care I still needed as a result of the accident, and because of what was happening to me, I had a physical breakdown and something burst inside my brain. Then Hartford and my attorneys arranged for a settlement, including an annuity, that will not even cover my medical costs. They advised me to accept the offer based on that they could not confirm the woman who hit me was an employee of the newspaper company. I tentatively agreed because I believed what they said. Afterward I discovered it is well documented the woman was an employee of the newspaper company when she hit me while delivering newspapers. And that what happened to me should have been adequately covered by Hartford Insurance Company.

I did not sign their annuity agreement. I did not sign their papers releasing them and everyone responsible from what happened to me. I do not want to be included in the current annuity fraud case against Hartford because that might cause problems for my own case.

I have physical problems because of what happened and cannot travel. I very much need help finding an attorney I can trust.

Please send me confirmation that my case is not included in the Spencer v. Hartford case so I won't worry about another hindrance.

Sincerely,

Christine Silver  
Christine Silver

Copies sent to:  
Class Counsel & Defendants' Counsel