

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

IN RE GENWORTH FINANCIAL, INC.,
SECURITIES LITIGATION

Civ. A. No. 3:14-cv-00682-JAG

Hon. John A. Gibney, Jr.

CLASS ACTION

[PROPOSED] CLASS DISTRIBUTION ORDER

Lead Plaintiffs moved this Court for entry of an order approving a distribution plan for the Net Settlement Fund in the above-captioned class action (the “Action”). Having considered the materials submitted in support of the motion, including the Declaration of Megan M. Peters in Support of Lead Plaintiffs’ Motion for Approval of Distribution Plan (the “Peters Declaration”), and the memorandum in support of Lead Plaintiffs’ motion submitted therewith;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement (the “Stipulation,” ECF No. 196-1), and the Peters Declaration, and all capitalized terms used, but not defined herein, shall have the same meanings as in the Stipulation or in the Peters Declaration.

2. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including all members of the Settlement Class.

3. Lead Plaintiffs’ plan for distribution of the Net Settlement Fund to Authorized Claimants is APPROVED. Accordingly,

(a) The administrative recommendations of the Court-approved Claims Administrator, Epiq Class Action & Claims Solutions, Inc. (“Epiq”), to

accept the timely and valid Claims set forth in Exhibit B-1 to the Peters Declaration and the Late but Otherwise Eligible Claims set forth in Exhibit B-2 to the Peters Declaration are adopted;

(b) The Claims Administrator's administrative recommendations to reject wholly ineligible Claims, set forth in Exhibit B-3 to the Peters Declaration, are adopted;

(c) Epiq is directed to conduct an initial distribution from the Net Settlement Fund, after deducting all payments previously allowed and the payments approved herein, and after deducting payment of any estimated taxes, tax return preparation fees, and any remaining escrow fees, to the Authorized Claimants whose *pro rata* share of the Net Settlement Fund, as calculated under the Court-approved Plan of Allocation, is at least \$10.00, as further detailed in the Peters Declaration (the "Initial Distribution"). As set forth in the Peters Declaration, a Reserve shall be held to address any contingencies that may arise. To the extent the Reserve is not depleted, the remainder shall be distributed in the "Second Distribution" described below¹;

(d) In order to encourage Authorized Claimants to negotiate their checks promptly, and to avoid or reduce future expenses relating to unpaid checks, all distribution checks shall bear the following or similar notation:

¹ The Peters Declaration discloses that there is one provisionally accepted electronic submission which is on hold pending further confirmation from the filer. The Claims Administrator is authorized to hold the submission until it can be confirmed; in the event that a dispute as to the acceptance or the rejection of the submission arises and is not resolved, Lead Counsel shall seek the Court's guidance for resolution.

“DEPOSIT PROMPTLY, VOID AND SUBJECT TO RE-DISTRIBUTION IF NOT CASHED WITHIN 90 DAYS OF ISSUE DATE.” Epiq is authorized to take appropriate action to locate and/or contact any Authorized Claimant when a check has been returned as undeliverable or a request for reissuance is made as detailed in footnote 4 of the Peters Declaration;

- (e) Authorized Claimants who do not negotiate their Initial Distribution checks within the time allotted or on the conditions set forth in footnote 4 of the Peters Declaration may irrevocably forfeit all recovery from the Settlement, and the funds allocated to all such stale-dated checks may be available to be re-distributed to other Authorized Claimants in any subsequent distribution of the Net Settlement Fund described below. Similarly, Authorized Claimants who do not negotiate subsequent distributions within the time allotted or on the conditions set forth in footnote 4 of the Peters Declaration may irrevocably forfeit any further recovery from the Net Settlement Fund;
- (f) After Epiq has made reasonable and diligent efforts to have Authorized Claimants cash their Initial Distribution checks, Epiq will conduct a second distribution (“Second Distribution”) of the Reserve and any monies that remain in the Net Settlement Fund, after deducting Epiq’s fees and expenses incurred in connection with administering the Settlement for which it has not yet been paid (including the estimated costs of such Second Distribution), and after deducting payment of any estimated taxes, tax return

preparation fees, and any remaining escrow fees, as set forth in the Peters Declaration.

(g) If any funds remain in the Net Settlement Fund after completion of the Second Distribution, whether by reason of non-negotiated checks, returned funds, tax refunds or otherwise:

1. If cost effective, not less than six (6) months after the Second Distribution is conducted, Epiq shall conduct a further distribution of the Net Settlement Fund, pursuant to which funds remaining in the Net Settlement Fund after the Second Distribution, after deducting Epiq's fees and expenses incurred in connection with administering the Settlement for which it has not yet been paid (including the estimated costs of such distribution), and after deducting payment of any estimated taxes, tax return preparation fees, and any remaining escrow fees, shall be distributed to Authorized Claimants who negotiated their Second Distribution checks and would receive at least \$10.00 from such re-distribution, with additional re-distributions thereafter in at least six-month minimum intervals, until Lead Counsel, in consultation with Epiq, determine that further re-distribution to Authorized Claimants is not cost effective; and

2. At such time as Lead Counsel, in consultation with Epiq, determine that the further re-distribution of funds remaining in the Net Settlement Fund to Authorized Claimants is not cost effective, any

otherwise valid Claims received after May 3, 2017, or modified upward after May 3, 2017, shall be paid in accordance with the Peters Declaration. If any funds remain after payment of such late or late adjusted Claim Forms, the remaining amount, after payment of any unpaid additional fees and expenses incurred in connection with administering the Net Settlement Fund and after the payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, shall be contributed to the Virginia Health Care Foundation pursuant to paragraph 18 of the Stipulation.

- (h) No further Proofs of Claim may be accepted after May 3, 2017, and no upward modifications may be made for any reason with respect to Proofs of Claim for which the information supporting the adjustment was received after May 3, 2017, subject to the following exception: As set forth in the Peters Declaration, if Proofs of Claim are received or modified after that date that would have been eligible for payment or additional payment under the Plan of Allocation if timely received then, at the time that Lead Counsel, in consultation with Epiq, determine that a re-distribution to Authorized Claimants is not cost effective as provided above, then, after payment of any unpaid fees or expenses incurred by the Claims Administrator in connection with administering the Net Settlement Fund and after the payment of any estimated taxes, tax return preparation fees, and any remaining escrow fees, such Claimants may be paid their distribution amounts or additional distribution amounts on a *pro rata* basis that would

otherwise bring them into parity with other Authorized Claimants who have cashed all their prior distribution checks to the extent possible, as set forth above;

- (i) All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Proofs of Claim submitted herein, or otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund, are hereby released and discharged from any and all claims arising out of such involvement, and all Class Members, whether or not they receive payment from the Net Settlement Fund, are hereby barred from making any further claims against the Net Settlement Fund, Lead Plaintiffs, Lead Counsel, the Defendants' Releasees and their respective counsel, the Claims Administrator, the Escrow Agent or any other agent retained by Lead Plaintiffs or Plaintiffs' Counsel in connection with the administration or taxation of the Settlement Fund or Net Settlement Fund beyond the amounts allocated as authorized herein;
- (j) Epiq's fees and expenses incurred in connection with the administration of the Settlement and estimated to be incurred in connection with the Initial Distribution in the amount of \$586,250.69 are approved to be paid out of the Settlement Fund, as authorized by the Stipulation and the Court's prior Order preliminarily approving the Settlement. Additional reasonable amounts incurred for additional distributions as set forth herein, as reviewed and approved by Lead Counsel, are authorized as set forth in the Stipulation and the Court's prior Order preliminarily approving the Settlement.

- (k) Unless otherwise ordered by the Court, one year after the Second Distribution, Epiq may destroy the paper copies of the Proofs of Claim and all supporting documentation and, one year after all funds in the Net Settlement Fund have been distributed, Epiq may destroy electronic copies of the same.
- (l) This Court retains jurisdiction to consider any further applications concerning the administration of the Settlement, and such other and further relief as this Court deems appropriate.

IT IS SO ORDERED.

DATED: _____

Hon. John A. Gibney, Jr.
United States District Judge