

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

LORD ABBETT AFFILIATED FUND, INC.,  
*et al.*, Individually and on Behalf of All Others  
Similarly Situated,

*Plaintiffs,*

v.

NAVIENT CORPORATION, *et al.*,

*Defendants.*

C.A. No. 16-112-MN

Judge Maryellen Noreika

**NOTICE OF PENDENCY OF CLASS ACTION**

TO: (1) All persons and entities who purchased or otherwise acquired Navient Corporation's ("Navient") common stock or Navient call options, or sold Navient put options, from April 17, 2014 through September 29, 2015, inclusive (the "Exchange Act Class Period")—and who were damaged thereby (the "Exchange Act Class");<sup>1</sup> and

(2) All persons and entities who purchased or otherwise acquired Navient's 5.000% Senior Notes due 2020 (CUSIP 63938CAA6), 5.875% Senior Notes due 2024 (CUSIP 63938CAB4), and 5.875% Senior Notes due 2021 (CUSIP 63938CAC2) (collectively, "Navient Senior Notes") from November 6, 2014 through December 28, 2015, inclusive (the "Securities Act Class Period")—and who were damaged thereby (the "Securities Act Class," and together with the Exchange Act Class, the "Classes").

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

You are receiving this notice because your rights may be affected by a class action lawsuit regarding your purchase or acquisition of Navient securities. If you are a member of one or both of the certified Classes (a "Class Member"), your rights will be affected by this lawsuit, which is referred to as *Lord Abbett Affiliated Fund, Inc., et al. v. Navient Corporation, et al.*, C.A. No. 16-112-MN (the "Action"), and which is now pending before the United States District Court for the District of Delaware (the "Court"). The Court has ordered this notice to be sent to you.

On September 2, 2020, the Court determined that this lawsuit may proceed as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure. You received this notice because you were identified as a potential Class Member. The purpose of this notice is to inform you how the lawsuit may affect your rights and what steps you may take. This notice is not an expression by the Court of any opinion as to the merits of any of the claims or defenses asserted by either side in the lawsuit. If you received this notice in error and you are not a Class Member, you do not need to take any action and your rights will not be affected.

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<sup>1</sup> For the avoidance of doubt, the Exchange Act Class includes all persons and entities who received shares as part of Navient's formation through a spin-off from Sallie Mae—and who were damaged thereby.

## 1. WHY SHOULD YOU READ THIS NOTICE?

The Court has certified two investor Classes in this lawsuit. The Classes consists of persons and entities who purchased or otherwise acquired certain Navient securities during certain time periods. The Classes are more fully described below. Depending on your transactions in Navient securities, you may be a member of just one of the Classes or both Classes.

You may be entitled to participate in any benefits that may eventually be obtained for the Classes as a result of this lawsuit. There is, however, no assurance that a judgment in favor of either of the Classes will be granted.

This notice provides a summary of the lawsuit. It also describes who is eligible to be included in the Classes, the effect of participating in this lawsuit as a Class Member, and how to request exclusion from the Classes.

## 2. WHAT IS THIS LAWSUIT ABOUT?

This is a securities lawsuit filed in the United States District Court for the District of Delaware. The operative complaint in the Action names as defendants Navient, certain officers and/or directors of Navient,<sup>2</sup> and the underwriters on three debt offerings made by Navient in November 2014 and March 2015.<sup>3</sup> The Court appointed the Lord Abbett Funds<sup>4</sup> as Lead Plaintiffs in this lawsuit. You may review a copy of the operative Complaint in the Action by visiting [www.NavientSecuritiesLitigation.com](http://www.NavientSecuritiesLitigation.com).

### (a) LEAD PLAINTIFFS' CLAIMS

Lead Plaintiffs allege that Defendants made numerous false or misleading statements about the business operations and financial results of Navient, one of the country's largest servicers of student loans, which caused the prices of Navient securities to be artificially inflated and caused damages to investors when they ultimately learned the truth about Defendants' prior misrepresentations.

Specifically, Lead Plaintiffs allege violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), claiming that Defendants defrauded investors in Navient securities through their misrepresentations about Navient's loan portfolio, including for example, by misstating Navient's loan loss provisions and related metrics, including net income, earnings per share, delinquencies, and charge offs, misrepresenting the quality of Navient's private education loan ("PEL") portfolio and the adequacy of Navient's internal controls, as well as making misrepresentations about Navient's forbearance practices. Lead Plaintiffs further allege that investors learned the truth about Defendants' misrepresentations through various corrective disclosures, including on July 13, 2015, when Navient revealed that it was "increasing the provision for PEL losses," on July 22, 2015, when Navient allegedly revealed additional information concerning its PEL portfolio, and on September 29, 2015, when

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<sup>2</sup> The officers and directors named as defendants in the Action are John F. Remondi, Somsak Chivavibul, John Kane, William M. Diefenderfer, III, Ann Torre Bates, Diane Suitt Gilleland, Linda Mills, Barry A. Munitz, Steven L. Shapiro, Jane J. Thompson, and Barry L. Williams (collectively, the "Individual Defendants").

<sup>3</sup> The underwriters named as defendants in the Action are Barclays Capital Inc., Credit Suisse Securities USA LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., J.P. Morgan Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets LLC, RBS Securities Inc., and Wells Fargo Securities LLC (collectively, the "Underwriter Defendants").

<sup>4</sup> The Lord Abbett Funds are comprised of Lord Abbett Affiliated Fund, Inc., Lord Abbett Equity Trust–Lord Abbett Calibrated Mid Cap Value Fund, Lord Abbett Bond-Debenture Fund, Inc., and Lord Abbett Investment Trust–Lord Abbett High Yield Fund.

Lead Plaintiffs allege that a report by the U.S. Consumer Financial Protection Bureau exposed the reality that loan servicers like Navient systematically pushed student-borrowers into forbearance.

Lead Plaintiffs also allege violations of Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 (the “Securities Act”) arising from alleged misstatements made in the offering documents filed in connection with the public offerings of Navient’s 5.000% Senior Notes due 2020 and 5.875% Senior Notes due 2024, conducted on or around November 6, 2014, and 5.875% Senior Notes due 2021, conducted on or around March 27, 2015. Specifically, the Securities Act claims concern two categories of misrepresentations: (i) misstatements about Navient’s loan portfolio (as summarized above); and (ii) misrepresentations concerning Navient’s credit facilities. On the latter issue, Lead Plaintiffs allege that Defendants reported Navient’s borrowing capacity under its credit facilities, but misleadingly failed to disclose the likelihood that its access to favorable credit terms would be terminated by an impending Federal Housing Finance Agency rule that blocked noneligible entities from gaining membership with a Federal Home Loan Bank.

Trial in this Action is currently scheduled to begin on January 24, 2022.

### **(b) DEFENDANTS’ DENIAL OF LIABILITY**

Defendants deny Lead Plaintiffs’ allegations in full and deny any wrongdoing or liability for the claims alleged. Among other things, Defendants deny that they made any false or misleading statements violating the federal securities laws, that they knew or believed that their statements were inaccurate, that the prices of Navient’s securities were artificially inflated during the relevant time periods, that the declines in the prices of Navient’s securities during the relevant time periods were caused by the disclosure of any wrongdoing or liability on the part of Defendants, or that any Class Member sustained damages recoverable under the federal securities laws.

## **3. WHO IS A CLASS MEMBER?**

By order dated September 2, 2020, the Court certified the following Classes of plaintiffs:

For claims brought pursuant to the Exchange Act (the “Exchange Act Class”): all persons and entities who purchased or otherwise acquired Navient Corporation’s (“Navient”) common stock or Navient call options, or sold Navient put options, from April 17, 2014 through September 29, 2015, inclusive—and who were damaged thereby.<sup>5</sup>

For claims brought pursuant to the Securities Act (the “Securities Act Class”): All persons and entities who purchased or otherwise acquired Navient’s 5.000% Senior Notes due 2020 (CUSIP 63938CAA6), 5.875% Senior Notes due 2024 (CUSIP 63938CAB4), and 5.875% Senior Notes due 2021 (CUSIP 63938CAC2) from November 6, 2014 through December 28, 2015, inclusive—and who were damaged thereby.

Excluded from both Classes by definition are:

Defendants, their officers and directors, all members of their immediate families, their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have a majority ownership interest.

The ruling by the Court certifying the Classes does not address the merits of this litigation. Rather, the certification of the Classes means only that the ultimate outcome of the Action—whether favorable or

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<sup>5</sup> For the avoidance of doubt, the Exchange Act Class includes all persons and entities who received shares as part of Navient’s formation through a spin-off from Sallie Mae—and who were damaged thereby.

unfavorable to the Classes or Defendants—will apply in like manner to each Class Member who does not timely elect to be excluded from the Classes.

#### 4. WHO REPRESENTS THE CLASSES?

Class Counsel, which represents the Classes in this lawsuit, is the law firm Bernstein Litowitz Berger & Grossmann LLP. Class Counsel may be contacted at the address and phone number listed below under Question 7.

#### 5. HOW DO YOU PARTICIPATE IN THIS CLASS ACTION?

If you fall within the definition of one or both Classes set forth above, you are a Class Member. **IF YOU WISH TO REMAIN A CLASS MEMBER, YOU DO NOT NEED TO DO ANYTHING AT THIS TIME.** As a Class Member, you will be bound by any settlement or judgment in this Action. Thus, you may participate in any monetary settlement or judgment rendered in favor of the Class(es) of which you are member, and you may submit a Proof of Claim following such a settlement or judgment. **No settlement or judgment has occurred at this time. You will necessarily also be bound by any unfavorable judgment which may be rendered in favor of Defendants.** You will not necessarily have the further opportunity to seek exclusion from the Classes at the time of any settlement. It is within the Court's discretion whether to allow a second opportunity to request exclusion from the Classes if the Action is resolved by a settlement. In other words, this may be your only chance to opt out of the lawsuit.

Lead Plaintiffs and Class Counsel represent the Classes and all Class Members. Class Counsel has agreed to pursue this Action on a contingent-fee basis. All attorney's fees and expenses will be payable only out of a recovery by the Classes, if any, and will be subject to approval by the Court. Class Members will not have to pay lawyers any additional amounts, and in no event will individual Class Members be obligated to pay any judgment, court costs, or lawyer's fees for participating in this Action.

Any Class Member who does not request exclusion from the Classes may also enter an appearance through his or her own counsel at his or her own expense. Such counsel must enter his or her appearance by filing a Notice of Appearance with the Clerk of the Court at the United States District Court for the District of Delaware, J. Caleb Boggs Federal Building, 844 North King Street, Unit 18, Wilmington, DE 19801-3570, on or before July 9, 2021. The Notice of Appearance must also be mailed to Class Counsel: Jesse L. Jensen, Esq., Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, 44th Floor, New York, NY 10020, on or before July 9, 2021. A copy of the Notice of Appearance must also be emailed to [Jesse.Jensen@blbglaw.com](mailto:Jesse.Jensen@blbglaw.com) on or before July 9, 2021.

Members of the Exchange Act Class will be eligible to participate in any recovery that might be obtained in the Action by the Exchange Act Class, and members of the Securities Act Class will be eligible to participate in any recovery that might be obtained in the Action by the Securities Act Class. While this notice is not intended to suggest any likelihood that Class Members will recover any money, should there be a recovery, Class Members will be required to submit a Proof of Claim demonstrating their membership in the Exchange Act Class and/or the Securities Act Class, and documenting their purchases, sales, and/or holdings of the eligible Navient securities, and their resulting damages. ***For this reason, please be sure to keep all records of your transactions and holdings in Navient common stock, call options, put options, and Senior Notes. DO NOT mail them to Class Counsel or the Notice Administrator at this time.*** No money or benefits are available now and there is no guarantee that money or benefits will be obtained. If they are, Class Members will be notified regarding how to obtain a share.

## 6. HOW CAN YOU BE EXCLUDED FROM THE CLASSES?

Each Class Member has the right to exclude him, her, or itself from one of the certified Classes, or both Classes, in this Action. If you wish to be excluded, which means you are “opting out” of the lawsuit, you must submit a request for exclusion in accordance with the instructions in the next paragraph. **If you choose to be excluded: (1) you will NOT be entitled to share in any recovery from any settlement or judgment that may be paid to members of Class(es) from which you request exclusion as a result of a trial or other resolution of this lawsuit; (2) you will NOT be bound by any judgment or release entered in this lawsuit with respect to the Class(es) from which you request exclusion; and (3) at your own expense, you MAY pursue any claims that you have by filing your own lawsuit or taking other action. Please note: If you decide to exclude yourself, you may be time-barred from asserting claims covered by the Action by a statute of repose and your claims could be dismissed.**

To exclude yourself from the Exchange Act Class, the Securities Act Class, or both Classes, you must send a letter stating that you “request exclusion from [the Exchange Act Class, the Securities Act Class, or both Classes, as applicable] in *Lord Abbett Affiliated Fund, Inc., et al. v. Navient Corporation, et al.*, C.A. No. 16-112-MN,” and must also: (i) state the name, address, and telephone number of the person or entity requesting exclusion, and, in the case of entities, the name and telephone number of the appropriate contact person; (ii) be signed by the person or entity requesting exclusion or an authorized representative, accompanied by proof of authorization; (iii) specify if you request exclusion from the Exchange Act Class only, the Securities Act Class only, or both Classes; (iv) state the number of shares of Navient common stock and the number of Navient call option contracts and Navient put option contracts (specified by strike price and expiration date) you (A) held (or, with respect to option contracts, in which you had an open interest) as of the opening trading on April 17, 2014 and (B) purchased/acquired or sold during the Exchange Act Class Period (*i.e.*, from April 17, 2014 through September 29, 2015, inclusive), as well as the dates, number of shares/option contracts, and prices of each such purchase/acquisition and sale; and (v) state the face value of Navient 5.000% Senior Notes due 2020 (CUSIP 63938CAA6), Navient 5.875% Senior Notes due 2024 (CUSIP 63938CAB4), and Navient 5.875% Senior Notes due 2021 (CUSIP 63938CAC2) that you purchased/acquired and/or sold during the Securities Act Class Period (*i.e.*, from November 6, 2014 through December 28, 2015, inclusive), as well as the dates and prices of each such purchase/acquisition and sale.

You must mail your exclusion request, ***postmarked by no later than July 9, 2021***, to the Notice Administrator, JND Legal Administration, at the following address:

Navient Securities Litigation  
EXCLUSIONS  
c/o JND Legal Administration  
P.O. Box 91402  
Seattle, WA 98111

**Only request exclusion if you do NOT wish to participate in the Class Action and do NOT wish to share in any potential recovery that the Classes may obtain.**

## 7. HOW CAN YOU GET MORE INFORMATION?

This notice contains only a summary of the litigation and your rights as a potential Class Member. For more detailed information regarding the matters involved in this litigation, please refer to the papers on file in this Action, which may be inspected, during business hours, at the Office of the Clerk, United States District Court for the District of Delaware, J. Caleb Boggs Federal Building, 844 N. King Street, Unit 18, Wilmington, DE 19801-3570. In addition, important documents in the case have been posted on

the following website: [www.NavientSecuritiesLitigation.com](http://www.NavientSecuritiesLitigation.com). Inquiries regarding this litigation may be addressed to the following Class Counsel:

Jeremy P. Robinson, Esq.  
Jesse L. Jensen, Esq.  
**BERNSTEIN LITOWITZ  
BERGER & GROSSMANN LLP**  
1251 Avenue of the Americas  
New York, NY 10020  
1-800-380-8496

#### **8. CHANGE IN YOUR ADDRESS.**

If this notice was mailed to you at an old address, or if you move, please advise the Notice Administrator of your current address so that you can receive any future notice and/or Proof of Claim forms. The Notice Administrator can be reached at Navient Securities Litigation, c/o JND Legal Administration, P.O. Box 91402, Seattle, WA 98111 or by telephone at 1-833-358-1847. If you are not a Class Member, you may discard this notice.

#### **9. NOTICE TO BROKERS AND CUSTODIANS.**

If, (i) during the period from April 17, 2014 through September 29, 2015, inclusive, you purchased or otherwise acquired Navient common stock or Navient call options, or sold Navient put options, for the beneficial interest of persons or organizations other than yourself and/or (ii) during the period from November 6, 2014 through December 28, 2015, inclusive, you purchased or otherwise acquired Navient 5.000% Senior Notes due 2020 (CUSIP 63938CAA6), Navient 5.875% Senior Notes due 2024 (CUSIP 63938CAB4), or Navient 5.875% Senior Notes due 2021 (CUSIP 63938CAC2) for the beneficial interest of persons or organizations other than yourself, you must either: (i) within seven (7) calendar days of receipt of this notice, request from the Notice Administrator sufficient copies of the notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those notices forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this notice, provide a list of the names, addresses, and, if available, email addresses of all such beneficial owners to the Notice Administrator at Navient Securities Litigation, c/o JND Legal Administration, P.O. Box 91402, Seattle, WA 98111.

If you choose the first option, you must send a statement to the Administrator confirming that the mailing was made and **you must retain your mailing records for use in connection with any further notices that may be provided in the Action.** If you choose the second option, the Administrator will send a copy of the notice to the beneficial owners. Upon full and timely compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred by providing the Notice Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this notice may also be obtained from [www.NavientSecuritiesLitigation.com](http://www.NavientSecuritiesLitigation.com), or by calling the Notice Administrator toll free at 1-833-358-1847.

DATED: May 10, 2021

BY ORDER OF THE UNITED STATES  
DISTRICT COURT FOR THE DISTRICT  
OF DELAWARE