

**IN THE DISTRICT COURT OF THE UNITED STATES FOR THE
MIDDLE DISTRICT OF ALABAMA, NORTHERN DIVISION**

In re)
COLONIAL BANCGROUP, INC.) Civil Action No.
SECURITIES LITIGATION) 2:09-CV-00104-RDP-WC
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**STIPULATION AND AGREEMENT OF SETTLEMENT
WITH REMAINING DEFENDANTS**

This stipulation and agreement of settlement (the “Stipulation”) is made and entered into by and between Lead Plaintiffs, Arkansas Teacher Retirement System (“ATRS”), State-Boston Retirement System (“State-Boston”), Norfolk County Retirement System (“Norfolk”), and City of Brockton Retirement System (“Brockton”) (collectively, “Lead Plaintiffs”) on behalf of themselves, Plaintiff The Horace F. Moyer and Joan M. Moyer Living Trust, Plaintiff City of Worcester Retirement System, and the proposed Settlement Class (defined below), on the one hand, and the Underwriter Defendants (defined below) and PricewaterhouseCoopers LLP (“PwC”) (collectively, “Defendants”) and the Tolled Defendants (defined below), on the other hand.

WHEREAS:

- A. All words or terms used herein that are capitalized shall have the meaning ascribed to those words or terms as set forth herein and in ¶ 1 hereof entitled “Definitions.”
- B. Beginning in February of 2009, several putative securities class action complaints were filed against Colonial BancGroup, Inc. (“Colonial” or the “Company”) and certain of

Colonial's officers/directors in the United States District Court for the Middle District of Alabama, Northern Division (the "Court").

C. After those actions were consolidated, the Court issued an Order on May 7, 2009 (i) appointing ATRS, State-Boston, Norfolk, and Brockton as Lead Plaintiffs; and (ii) appointing Labaton Sucharow LLP as Lead Counsel and Thomas, Means, Gillis & Seay, P.C. (n/k/a Means, Gillis Law, LLC) as Liaison Counsel to represent the putative class.

D. On June 22, 2009, Lead Plaintiffs filed a Consolidated Class Action Complaint for Violations of the Federal Securities Laws ("Consolidated Complaint") against Colonial, the Defendants, the Tolled Defendants (as defined below) and others, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder by the U.S. Securities and Exchange Commission ("SEC"), 17 C.F.R. § 240.10b-5 and violations of Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. §§ 77k, 771(a)(2), and 77(o). The Exchange Act claims allege violations of the anti-fraud provisions of the securities laws arising from alleged misstatements and omissions made in connection with Colonial's publicly-filed financials and other alleged misstatements made by Colonial's senior officers. The Securities Act claims arise from a subordinated note offering and a stock offering conducted by the Company in March and April of 2008, respectively.

E. On August 25, 2009, Colonial filed for bankruptcy protection pursuant to Chapter 11 of Title 11 of the United States Bankruptcy Code ("Bankruptcy Code") in the United States Bankruptcy Court for the Middle District of Alabama (the "Bankruptcy Case"). The Court requested briefing as to whether the Action should be stayed as a result. In September 2009, Defendants and the Tolled Defendants began filing motions to dismiss the Consolidated

Complaint. On September 25, 2009, the Court suspended further briefing on the motions to dismiss pending its decision as to whether the automatic bankruptcy stay should serve to stay the Action. On January 7, 2010, the Court ruled that the bankruptcy stay should not be extended in the Action, and the stay was lifted. The parties completed briefing the motions to dismiss the Consolidated Complaint in February 2010.

F. On November 10, 2009, Lead Plaintiffs entered into a tolling agreement with Bear Stearns Companies; Charles Schwab & Co., Inc; Fidelity Capital Markets; H&R Block Financial Advisors, Inc. (n/k/a Ameriprise Financial Services, Inc.); J.J.B. Hilliard, W.L. Lyons, Inc.; Janney Montgomery Scott LLC; Keefe, Bruyette & Woods, Inc.; Oppenheimer & Co., Inc.; Raymond James & Associates; Robert W. Baird & Co. Incorporated; Sterne, Agee & Leach, Inc.; Wells Fargo Securities, LLC; B.C. Ziegler and Company; City Securities Corporation; Crowell, Weedon & Co.; D.A. Davidson & Co.; Davenport & Company, LLC; Doley Securities, LLC; Ferris, Baker Watts, Inc. (n/k/a RBC Wealth Management); Fixed Income Securities, LP (n/k/a Advisors Asset Management); Jefferies & Company, Inc.; Mesirow Financial, Inc.; Pershing LLC; Piper Jaffray & Co.; Samuel A. Ramirez & Co., Inc; Stone & Youngberg LLC; Wedbush Morgan Securities; and William Blair & Company, LLC (collectively and individually, the “Tolled Defendants”). Pursuant to this agreement, 28 of the 39 underwriter defendants were dismissed from the Action without prejudice on March 19, 2010.

G. On May 14, 2010, the Court issued orders denying the motions to dismiss.

H. On May 28, 2010, Judge Myron H. Thompson recused himself due to a disqualifying conflict. The Action was stayed pending reassignment and all defendants moved for reconsideration of the denial of their motions to dismiss. On August 27, 2010, the Action was assigned to the Honorable R. David Proctor.

I. On December 15, 2010, a status conference was held in which the Court deemed the motions to reconsider moot and instructed Lead Plaintiffs to file an amended complaint.

J. On April 29, 2011, Lead Plaintiffs filed the operative complaint in the Action, the First Amended Consolidated Class Action Complaint for Violations of the Federal Securities Laws (the “Amended Complaint”). The Amended Complaint alleges claims against PwC under Section 10(b) of the Exchange Act and Section 11 of the Securities Act and claims against the Underwriter Defendants under Sections 11 and 12(a) of the Securities Act.¹ The Class Period alleged was April 18, 2007 through and including August 6, 2009. Lead Plaintiffs added two additional plaintiff entities in the Amended Complaint that allegedly purchased either on the Note Offering or the Stock Offering (defined below).

K. As of September 14, 2011, Lead Plaintiffs, the officer defendants, and the director defendants entered into an Amended and Restated Stipulation and Agreement of Settlement with Officer and Director Defendants, which was finally approved by this Court by entry of an Order Approving Proposed Partial Class Action Settlement and Plan of Allocation on April 18, 2012 (the “Colonial I Settlement”).

L. On August 1, 2011, the Underwriter Defendants and PwC filed separate motions to dismiss the Amended Complaint. On September 26, 2011, Lead Plaintiffs filed two opposition briefs, one in opposition to the Underwriter Defendants’ motion and another in opposition to PwC’s motion. On October 28, 2011, the Underwriter Defendants and PwC filed separate reply briefs in further support of their respective motions to dismiss. The Court heard oral argument on the motions to dismiss on November 29, 2012.

¹ The claims against the other defendants named in the Amended Complaint were settled, as noted in paragraph K.

M. Following a status conference with the Court on December 17, 2012, the Court issued an order requesting, among other things, that the Parties submit a joint report regarding whether the Court should rule on the motions to dismiss based on the current pleadings or whether further pleading is necessary in light of *Fait v. Regions Financial Corp.*, 655 F.3d 105, 109 (2d Cir. 2011), and its progeny, which were filed after the operative Amended Complaint was filed.

N. Following submission of the joint report, which notified the Court that Lead Plaintiffs had elected to move for leave to amend the Amended Complaint, the Court issued an Order on February 26, 2013, setting forth deadlines for Lead Plaintiffs' motion for leave to amend and related submissions.

O. On March 15, 2013, Lead Plaintiffs filed their motion for leave to amend the Amended Complaint pursuant to Rule 15 of the Federal Rules of Civil Procedure, to add allegations regarding the subjective and objective falsity of Defendants' alleged misstatements and to incorporate information obtained from a complaint against PwC by the Federal Deposit Insurance Corporation ("FDIC") and from a release by the Public Company Accounting Oversight Board ("PCAOB"). On April 2, 2013, Defendants filed separate opposition briefs to Lead Plaintiffs' motion and on April 10, 2013, Lead Plaintiffs filed two separate briefs, in further support of their motion to amend the Amended Complaint. On September 9, 2013, the Court denied Lead Plaintiffs' motion for leave to amend the Amended Complaint.

P. On September 9, 2013, the Court dismissed most of the Securities Act claims against the Defendants. The Section 11 and 12 claims that remain are those that relate to the mortgage warehouse lending division fraud at Colonial Bank.

Q. On March 27, 2014, the Court issued a Memorandum Opinion dismissing the Exchange Act claim against PwC, holding that Lead Plaintiffs failed to allege material misstatements, scienter, or loss causation.

R. On May 2, 2014, Defendants filed and served answers to the Amended Complaint.

S. In late June 2014, the Parties engaged Robert A. Meyer, a well-respected and highly experienced mediator and a partner at Loeb & Loeb LLP in Los Angeles, to assist them in exploring a potential negotiated resolution of the claims against Defendants and the Tolledd Defendants. On September 10, 2014, Lead Plaintiffs and representatives of Defendants and the Tolledd Defendants met with Mr. Meyer in an attempt to reach a settlement. The mediation involved an extended effort to settle the claims. Following lengthy, arm's-length, and mediated negotiations under the auspices of Mr. Meyer, the Parties reached a tentative agreement to settle the remaining claims in the Action for \$7.9 million in cash. Following continued arm's-length negotiations, the Parties entered into a Memorandum of Understanding ("MOU") on October 30, 2014.

T. Prior to agreeing to settle the Action, Lead Plaintiffs, through Lead Counsel, conducted a thorough investigation of the claims, defenses, and underlying events and transactions that are the subject of the Action. This investigation included, among other things: (i) review and analysis of documents filed publicly with the SEC; (ii) review and analysis of press releases issued by or concerning the Company; (iii) review and analysis of research reports issued by financial analysts concerning Colonial Securities; (iv) review and analysis of news articles and media reports concerning Colonial's operations; (v) review and analysis of investigative findings by the FDIC; (vi) review and analysis of investigative findings of the

PCAOB; (vii) Lead Counsel's internal investigation, which involved the identification of more than 700 potential witnesses and contacting approximately 80 witnesses; (viii) review and analysis of the applicable law governing the claims and potential defenses; (ix) consultations with experts; and (x) review and analysis of pleadings and materials filed in other actions that name certain Defendants or former defendants in the Action, including the October 31, 2012 FDIC complaint against PwC, the Taylor, Bean & Whitaker Plan Trust complaint filed against PwC, and transcripts from the trial of Lee B. Farkas.

U. Defendants and Tolled Defendants have denied and continue to deny any wrongdoing or that they have committed any act or omission giving rise to any liability or violation of law, including the U.S. securities laws. Defendants and Tolled Defendants have denied and continue to deny each and every one of the claims alleged by Plaintiffs in the Action on behalf of the Settlement Class, including all claims in the Consolidated Complaint and the Amended Complaint.

V. This Stipulation, whether or not consummated, any proceedings relating to any settlement, or any of the terms of any settlement, whether or not consummated, shall in no event be construed as, or deemed to be evidence of, an admission or concession on the part of the Defendants or Tolled Defendants, or any of them, with respect to any fact or matter alleged in the Action, or any claim of fault or liability or wrongdoing or damage whatsoever, or any infirmity in any claim or defense that has been or could have been asserted. Defendants and Tolled Defendants are entering into this Settlement solely to eliminate the burden, expense, uncertainty, and distraction of further litigation.

W. Lead Plaintiffs believe that the claims asserted in the Action have merit and that the evidence developed to date supports the claims asserted. However, Lead Plaintiffs and Lead

Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action through trial and appeals. Lead Plaintiffs and Lead Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Action, as well as the difficulties and delays inherent in such litigation. Lead Counsel also are mindful of the inherent problems of proof and the possible defenses to the claims alleged in the Action. Based on their evaluation, Lead Plaintiffs and Lead Counsel believe that the Settlement set forth in this Stipulation confers substantial monetary benefits upon the Settlement Class and is in the best interests of Lead Plaintiffs and the Settlement Class.

NOW THEREFORE, without any concession by Lead Plaintiffs that the Action lacks merit, and without any concession by Defendants or Tolled Defendants of any liability or wrongdoing or lack of merit in their defenses, it is hereby **STIPULATED AND AGREED**, by and among the parties to this Stipulation (“Parties”), through their respective attorneys, subject to approval by the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the benefits flowing to the Parties hereto, all Released Claims and all Released Defendants’ Claims as against all Released Parties shall be fully, finally, and forever compromised, settled, released, discharged, and dismissed with prejudice, and without costs, upon and subject to the following terms and conditions:

DEFINITIONS

1. As used in this Stipulation, the following terms shall have the meanings set forth below. In the event of any inconsistency between any definition set forth below and any definition in any other document related to the Settlement, the definition set forth below shall control.

(a) “Action” means the civil action captioned *In re Colonial BancGroup, Inc. Securities Litigation*, No. 2:09-CV-00104-RDP-WC, and all actions consolidated therein,

pending in the United States District Court for the Middle District of Alabama, Northern Division, before the Honorable R. David Proctor.

(b) “Alternative Judgment” means a form of final judgment that may be entered by the Court herein but in a form other than the form of Judgment provided for in this Stipulation and where none of the Parties hereto elects to terminate this Settlement by reason of such variance.

(c) “Authorized Claimant” means a Settlement Class Member who timely submits a valid Proof of Claim and Release form to the Claims Administrator that is accepted for payment by the Court.

(d) “Claims Administrator” means the firm of Strategic Claims Services.

(e) “Class Period” means the period between April 18, 2007 and August 6, 2009, inclusive.

(f) “Colonial Securities” means: (i) the common stock of Colonial; (ii) Colonial’s common stock traceable to the Company’s April 23, 2008 stock offering pursuant to the Registration Statement and Prospectus filed with the Securities and Exchange Commission (the “Stock Offering”); and (iii) the \$250 million worth of Subordinated Notes due in 2038, paying 8.875% interest on a quarterly basis (“Subordinated Notes”), pursuant or traceable to Colonial’s Form S-3/A Shelf Registration Statement and Prospectus dated November 12, 2004 and Form 424 (b)(2) Prospectus Supplement dated February 28, 2008 (the “Note Offering”).

(g) “Defendants” means the Underwriter Defendants and PwC.

(h) “Defendants’ Counsel” means the law firms of Maynard, Cooper & Gale, P.C., King & Spalding LLP, and Ball, Ball, Matthews & Novak, P.A.

(i) “Distribution Order” means an order of the Court approving the Claims Administrator’s determinations concerning the acceptance and rejection of the claims submitted and approving any fees and expenses not previously paid, including the fees and expenses of the Claims Administrator and, if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants.

(j) “Effective Date” means the date upon which the Settlement shall become effective, as set forth in ¶ 38 below.

(k) “Escrow Account” means the separate escrow account designated and controlled by Lead Counsel at one or more national banking institutions into which the Settlement Amount will be deposited for the benefit of the Settlement Class.

(l) “Escrow Agent” means Lead Counsel.

(m) “Fee and Expense Application” means the request by Lead Counsel for an award of attorneys’ fees and payment of litigation expenses incurred in prosecuting the case, including any expenses of Lead Plaintiffs, pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”).

(n) “Final,” with respect to a court order, means the later of: (i) if there is an appeal from a court order, the date of final affirmance on appeal and the expiration of the time for any further judicial review whether by appeal, reconsideration or a petition for a *writ of certiorari* and, if *certiorari* is granted, the date of final affirmance of the order following review pursuant to the grant; or (ii) the date of final dismissal of any appeal from the order or the final dismissal of any proceeding on *certiorari* to review the order; or (iii) the expiration of the time for the filing or noticing of any appeal or petition for *certiorari* from the order (or, if the date for taking an appeal or seeking review of the order shall be extended beyond this time by order of

the issuing court, by operation of law or otherwise, or if such extension is requested, the date of expiration of any extension if any appeal or review is not sought). However, any appeal or proceeding seeking subsequent judicial review pertaining solely to the Plan of Allocation of the Net Settlement Fund, or to the Court's award of attorneys' fees or expenses, shall not in any way delay or affect the time set forth above for the Judgment or Alternative Judgment to become Final, or otherwise preclude the Judgment or Alternative Judgment from becoming Final.

(o) "Judgment" means the proposed judgment to be entered by the Court approving the Settlement, substantially in the form attached hereto as Exhibit B.

(p) "Lead Plaintiffs" means Arkansas Teacher Retirement System, State-Boston Retirement System, Norfolk County Retirement System, and City of Brockton Retirement System.

(q) "Lead Counsel" means the law firm of Labaton Sucharow LLP.

(r) "Net Settlement Fund" means the Settlement Fund less: (i) Court-awarded attorneys' fees and expenses; (ii) Notice and Administration Expenses; (iii) Taxes; and (iv) any other fees or expenses approved by the Court, including any award to Lead Plaintiffs for reasonable costs and expenses (including lost wages) pursuant to the PSLRA.

(s) "Notice" means the Notice of Proposed Settlement with Remaining Defendants and Motion for Attorneys' Fees and Expenses to be sent to Settlement Class Members, which, subject to approval of the Court, shall be substantially in the form attached hereto as Exhibit A-1 to Exhibit A hereto.

(t) "Notice and Administration Expenses" means all costs, fees, and expenses incurred in connection with providing notice to the Settlement Class and the administration of the Settlement, including but not limited to: (i) providing notice of the proposed Settlement by

mail, publication, and other means to Settlement Class Members; (ii) receiving and reviewing claims; (iii) applying the Plan of Allocation; (iv) communicating with Persons regarding the proposed Settlement and claims administration process; (v) distributing the proceeds of the Settlement; and (vi) fees related to the Escrow Account and investment of the Settlement Fund.

(u) “Person(s)” means any individual, corporation (including all divisions and subsidiaries), general or limited partnership, association, joint stock company, joint venture, limited liability company, professional corporation, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity.

(v) “Plaintiffs” means Lead Plaintiffs and additional named plaintiffs The Horace F. Moyer and Joan M. Moyer Living Trust and the City of Worcester Retirement System.

(w) “Plaintiffs’ Counsel” means Lead Counsel; Means, Gillis Law, LLC; Chimicles & Tikellis LLP; and Robbins Geller Rudman & Dowd LLP.

(x) “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval of Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement, which, subject to the approval of the Court, shall be substantially in the form attached hereto as Exhibit A.

(y) “Proof of Claim” means the Proof of Claim and Release form for submitting a claim, which (i) shall be substantially in the form attached as Exhibit A-2 to Exhibit A hereto, subject to approval of the Court; or (ii) was submitted in connection with the Colonial I Settlement.

(z) “Released Claims” means any and all claims and causes of action of every nature and description, including both known claims and Unknown Claims (defined below),

whether arising under federal, state, common, administrative or foreign law, whether class or individual in nature, that Plaintiffs or any other Settlement Class Member: (i) asserted in the Action; or (ii) could have asserted in the Action or any other action or in any forum, that arise out of, relate to, or are in connection with the claims, allegations, transactions, facts, events, acts, disclosures, statements, representations, or omissions or failures to act involved, set forth, or referred to in the complaints filed in the Action and that relate, directly or indirectly, to the purchase or acquisition of Colonial Securities during the Class Period. For the avoidance of doubt, Released Claims do not include: (i) claims to enforce the Settlement; (ii) any claim by the Federal Deposit Insurance Corporation, whether as receiver for Colonial Bank or in its corporate capacity, or any claim by any governmental or regulatory agency asserted in any criminal, administrative or civil action; (iii) claims or interests of any Settlement Class Member, including Lead Plaintiffs, in the Bankruptcy Case solely in connection with their status as holders of Colonial Securities in the event there is a future distribution in the Bankruptcy Case; or (iv) claims in any related ERISA or derivative action.

(aa) “Released Defendants’ Claims” means all claims and causes of action of every nature and description, including both known claims and Unknown Claims (as defined below), whether arising under federal, state, common or foreign law, that Defendants and/or Tolerated Defendants could have asserted against any of the Released Plaintiff Parties that arise out of or relate in any way to the institution, prosecution, or settlement of the claims alleged in the Amended Complaint, except for claims relating to the enforcement of the Settlement.

(bb) “Released Defendant Parties” means Defendants, Tolerated Defendants, Defendants’ Counsel, and each of their respective past or present subsidiaries, parents, divisions, and affiliates; the respective present and former principals, successors and predecessors, assigns,

officers, directors, shareholders, trustees, partners, agents, fiduciaries, contractors, employees, attorneys, auditors, insurers, members, advisors, and accountants of each of them; the predecessors, successors, estates, heirs, executors, trusts, trustees, administrators, agents, representatives, and assigns of each of them, in their capacity as such; any firm, trust, corporation, or entity in which any Defendant or Tolleed Defendant has a controlling interest; and any of the legal representatives, heirs, successors in interest or assigns of Defendants or Tolleed Defendants.

(cc) “Released Parties” means the Released Defendant Parties and the Released Plaintiff Parties.

(dd) “Released Plaintiff Parties” means Plaintiffs, Plaintiffs’ Counsel, and each and every Settlement Class Member, and their respective trustees, partners, employees, attorneys, heirs, predecessors, successors, administrators, or assigns. Released Plaintiff Parties does not include any Person who timely and validly seeks exclusion from the Settlement Class.

(ee) “Settlement” means the resolution of the Action in accordance with the terms and provisions of this Stipulation.

(ff) “Settlement Amount” means the total principal amount of seven million nine hundred thousand dollars (\$7,900,000) in cash.

(gg) “Settlement Class” or “Settlement Class Member” means all Persons who purchased or acquired Colonial Securities during the period between April 18, 2007 and August 6, 2009, inclusive, and were allegedly damaged thereby. Excluded from the Settlement Class are: the current and former defendants in the Action; the current and former officers and directors of the Company; members of the immediate families of the current and former defendants in the Action; the subsidiaries and affiliates of the Company; any entity in which the

current and former defendants in the Action have or had a controlling interest; and the legal representatives, heirs, successors or assigns of any excluded person. Also excluded from the Settlement Class will be any person who timely and validly seeks exclusion from the Settlement Class.

(hh) “Settlement Fund” means the Settlement Amount and any interest earned thereon.

(ii) “Settlement Hearing” means the hearing to be held by the Court to determine whether the proposed Settlement is fair, reasonable, and adequate and should be approved.

(jj) “Stipulation” means this Stipulation and Agreement of Settlement with Remaining Defendants.

(kk) “Summary Notice” means the Summary Notice of Proposed Settlement and Motion for Attorneys’ Fees and Expenses for publication, which, subject to approval of the Court, shall be substantially in the form attached as Exhibit A-3 to Exhibit A hereto.

(ll) “Taxes” means all federal, state, or local taxes of any kind on any income earned by the Settlement Fund and the expenses and costs incurred in connection with the taxation of the Settlement Fund (including, without limitation, interest, penalties and the expenses of tax attorneys and accountants).

(mm) “Underwriter Defendants” means Banc of America Securities LLC, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Morgan Keegan & Company, Inc., Morgan Stanley & Co., Inc., RBC Dain Rauscher Inc., Stifel, Nicolaus & Company, Inc., SunTrust Robinson Humphrey, Inc., UBS Securities LLC and Wachovia Capital Markets, LLC.

(nn) “Unknown Claims” means any and all Released Claims that Lead Plaintiffs or any other Settlement Class Member do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Parties, and any and all Released Defendants’ Claims that Defendants or Tolled Defendants do not know or suspect to exist in its favor at the time of the release of the Released Plaintiff Parties, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to object to the terms of the Settlement or to exclude himself, herself, or itself from the Settlement Class. With respect to any and all Released Claims and Released Defendants’ Claims, the Parties stipulate and agree that, upon the Effective Date, Lead Plaintiffs, Defendants, and Tolled Defendants shall expressly, and each other Settlement Class Member shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

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.

Lead Plaintiffs, other Settlement Class Members, Defendants, or Tolled Defendants may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants’ Claims, but Lead Plaintiffs, Defendants, and Tolled Defendants shall expressly, fully, finally, and forever settle and release, and each Settlement Class Member shall be deemed to have settled and released, and upon the Effective Date and by

operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Defendants' Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Lead Plaintiffs, Defendants, and Tolerated Defendants acknowledge, and other Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was a material element of the Settlement.

SCOPE AND EFFECT OF SETTLEMENT

2. The obligations incurred pursuant to this Stipulation are: (a) subject to approval by the Court and the Judgment, or Alternative Judgment, reflecting such approval becoming Final; and (b) in full and final disposition of the Action with respect to the Released Parties and any and all Released Claims and Released Defendants' Claims.

3. For purposes of this Settlement only, the Parties agree to: (i) certification of the Action as a class action, pursuant to Fed. R. Civ. P. 23(a) and 23(b)(3), on behalf of the Settlement Class as defined in ¶ 1(gg); (ii) the certification of Lead Plaintiffs and, at the discretion of Lead Plaintiffs, additional named plaintiffs The Horace F. Moyer and Joan M. Moyer Living Trust and City of Worcester Retirement System, as Class Representatives for the Settlement Class; and (iii) the appointment of Lead Counsel as Class Counsel for the Settlement Class pursuant to Federal Rule of Civil Procedure 23(g).

4. By operation of the Judgment or Alternative Judgment, as of the Effective Date, Plaintiffs and each and every other Settlement Class Member on behalf of themselves and each of their respective heirs, executors, trustees, administrators, predecessors, successors, and assigns, shall be deemed to have fully, finally, and forever waived, released, discharged, and dismissed each and every one of the Released Claims against each and every one of the Released

Defendant Parties and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Released Claims against any and all of the Released Defendant Parties.

5. By operation of the Judgment or Alternative Judgment, as of the Effective Date, Defendants and Tolled Defendants on behalf of themselves and each of their respective trustees, administrators, predecessors, successors, and assigns, shall be deemed to have fully, finally, and forever waived, released, discharged, and dismissed each and every one of the Released Defendants' Claims against each and every one of the Released Plaintiff Parties and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Released Defendants' Claims against any and all of the Released Plaintiff Parties.

THE SETTLEMENT CONSIDERATION

6. In full settlement of the claims asserted in the Action against the Underwriter Defendants and the Tolled Defendants and in consideration of the releases specified in ¶¶ 4-5, above, the Underwriter Defendants and the Tolled Defendants shall pay, or cause to be paid, a total of four million nine hundred thousand dollars (\$4,900,000) into the Escrow Account within ten (10) business days after the later of (i) the Court's entry of the Preliminary Approval Order or (ii) receipt by Carl S. Burkhalter of Maynard, Cooper & Gale, P.C. of complete and accurate wire transfer instructions, payment address, and a complete and executed Form W-9 for the Settlement Fund that reflects a valid tax identification number.

7. In full settlement of the claims asserted in the Action against PwC and in consideration of the releases specified in ¶¶ 4-5, above, PwC shall pay, or cause to be paid, three million dollars (\$3,000,000) into the Escrow Account within ten (10) business days after the later of (i) the Court's entry of the Preliminary Approval Order or (ii) receipt by Drew D. Dropkin of King & Spalding LLP of complete and accurate wire transfer instructions, payment address, and

a complete and executed Form W-9 for the Settlement Fund that reflects a valid tax identification number.

8. With the sole exception of Defendants' and Tolloed Defendants' respective obligations as provided for in ¶¶ 6-7, the Released Defendant Parties and Defendants' Counsel shall have no liability with respect to the Settlement Fund or the monies maintained in the Escrow Account, including, without limitation, any liability related to any fees, Taxes, investment decisions, maintenance, supervision or distributions of any portion of the Settlement Amount.

9. Other than the respective obligation of Defendants and Tolloed Defendants as provided for in ¶¶ 6-7, Defendants and Tolloed Defendants shall have no obligation to make any other payments into the Escrow Account or to any Settlement Class Member pursuant to this Stipulation.

USE AND TAX TREATMENT OF SETTLEMENT FUND

10. The Settlement Fund shall be used: (i) to pay any Taxes; (ii) to pay Notice and Administration Expenses; (iii) to pay any attorneys' fees and expenses awarded by the Court; (iv) to pay any costs and expenses allowed by the PSLRA and awarded to Lead Plaintiffs by the Court; (v) to pay any other fees and expenses awarded by the Court; and (vi) to pay the claims of Authorized Claimants.

11. The Net Settlement Fund shall be distributed to Authorized Claimants as provided in ¶¶ 23-35 hereof. The Net Settlement Fund shall remain in the Escrow Account prior to the Effective Date. All funds held in the Escrow Account, and all earnings thereon, shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall have been disbursed or returned, pursuant to the terms of this Stipulation, and/or further order of the Court. The Escrow Agent shall invest funds in the

Escrow Account in instruments backed by the full faith and credit of the United States Government (or a mutual fund invested solely in such instruments), or deposit some or all of the funds in non-interest-bearing transaction account(s) that are fully insured by the FDIC in amounts that are up to the limit of FDIC insurance. Defendants, Tolerated Defendants, and Defendants' Counsel shall have no responsibility for, interest in, or liability whatsoever with respect to investment decisions executed by the Escrow Agent. All risks related to the investment of the Settlement Fund shall be borne solely by the Settlement Fund.

12. After the Settlement Amount has been paid into the Escrow Account, the Parties agree to treat the Settlement Fund as a "qualified settlement fund" within the meaning of Treas. Reg. § 1.468B-1. In addition, Lead Counsel shall timely make, or cause to be made, such elections as necessary or advisable to carry out the provisions of this paragraph 12, including the "relation-back election" (as defined in Treas. Reg. § 1.468B-1) back to the earliest permitted date. Such election shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of Lead Counsel to timely and properly prepare and deliver, or cause to be prepared and delivered, the necessary documentation for signature by all necessary parties, and thereafter take all such actions as may be necessary or appropriate to cause the appropriate filing(s) to occur.

(a) For the purposes of Section 468B of the Internal Revenue Code of 1986, as amended, and Treas. Reg. § 1.468B promulgated thereunder, the "administrator" shall be Lead Counsel or its successors, who shall timely and properly file, or cause to be filed, all federal, state, or local tax returns and information returns necessary or advisable with respect to the earnings on the funds deposited in the Escrow Account (including without limitation the returns described in Treas. Reg. § 1.468B-2(k)) ("Tax Returns"). Such Tax Returns (as well as the

election described above) shall be consistent with this subparagraph and in all events shall reflect that all Taxes (including any estimated taxes, earnings, or penalties) on the income earned on the funds deposited in the Escrow Account shall be paid out of such funds as provided in subparagraph (c) of this paragraph 12.

(b) All Taxes shall be paid solely out of the Settlement Fund. In all events, Defendants, Tolleed Defendants, and Defendants' Counsel shall have no liability or responsibility whatsoever for the Taxes or the filing of any Tax Return or other document with the Internal Revenue Service or any other state or local taxing authority. In the event any Taxes are owed by any of the Defendants or Tolleed Defendants on any earnings on the funds on deposit in the Escrow Account, such amounts shall also be paid out of the Settlement Fund. Any taxes or tax expenses owed on any earnings on the Settlement Amount prior to its transfer to the Escrow Account shall be the sole responsibility of the entity or entities that made the deposit.

(c) Taxes shall be treated as, and considered to be, a cost of administration of the Settlement and shall be timely paid, or caused to be paid, by Lead Counsel out of the Settlement Fund without prior order from the Court or approval by Defendants or Tolleed Defendants, and Lead Counsel shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts (as well as any amounts that may be required to be withheld under Treas. Reg. § 1.468B-2(1)(2)). The Parties agree to cooperate with Lead Counsel, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this paragraph 12.

13. This is not a claims-made settlement. As of the Effective Date, Defendants, Tolleed Defendants, and/or any other Person funding the Settlement on a Defendant's or Tolleed

Defendant's behalf shall not have any right to the return of the Settlement Fund or any portion thereof for any reason.

ATTORNEYS' FEES AND EXPENSES

14. Lead Counsel will apply to the Court for an award from the Settlement Fund of attorneys' fees and payment of litigation expenses incurred in prosecuting the Action, plus any earnings on such amounts at the same rate and for the same periods as earned by the Settlement Fund. Defendants shall take no position with respect to the Fee and Expense Application.

15. The amount of attorneys' fees and expenses awarded by the Court is within the sole discretion of the Court. Any attorneys' fees and expenses awarded by the Court shall be paid from the Settlement Fund to Lead Counsel immediately after entry of the Order awarding such attorneys' fees and expenses, notwithstanding the existence of any timely filed objections thereto or to the Settlement, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof.

16. Any payment of attorneys' fees and litigation expenses pursuant to ¶¶ 14-15 above shall be subject to Lead Counsel's obligation to make refunds or repayments to the Settlement Fund of any paid amounts, plus accrued earnings at the same net rate as is earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of this Stipulation or fails to become effective for any reason or if, as a result of any appeal or further proceedings on remand, or successful collateral attack, the award of attorneys' fees and/or litigation expenses is reduced or reversed by Final non-appealable court order. Lead Counsel shall make the appropriate refund or repayment in full no later than ten (10) business days after receiving notice of the termination of the Settlement or notice from a court of appropriate jurisdiction of any reduction or reversal of the award of attorneys' fees and/or litigation expenses by Final non-appealable court order.

17. With the sole exception of Defendants' and Tolledd Defendants' respective obligations as provided for in ¶¶ 6-7, Defendants and Tolledd Defendants shall have no responsibility for, and no liability whatsoever with respect to, any payment whatsoever to Lead Counsel or Plaintiffs' Counsel that may occur at any time.

18. Defendants and Tolledd Defendants shall have no responsibility for, and no liability whatsoever with respect to, any allocation of any attorneys' fees or expenses among Plaintiffs' Counsel, or any other Person who may assert some claim thereto, or any fee or expense awards the Court may make in the Action.

19. Defendants and Tolledd Defendants shall have no responsibility for, and no liability whatsoever with respect to, any attorneys' fees, costs, or expenses incurred by or on behalf of the Settlement Class Members, whether or not paid from the Escrow Account.

20. The procedure for and the allowance or disallowance by the Court of any Fee and Expense Application are not part of the Settlement set forth in this Stipulation, and are separate from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in the Stipulation, and any order or proceeding relating to any Fee and Expense Application, including an award of attorneys' fees or expenses in an amount less than the amount requested by Lead Counsel, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment or Alternative Judgment approving the Stipulation and the Settlement set forth herein, including, but not limited to, the release, discharge, and relinquishment of the Released Claims against the Released Defendant Parties, or any other orders entered pursuant to the Stipulation.

ADMINISTRATION EXPENSES

21. Except as otherwise provided herein, the Settlement Fund shall be held in the Escrow Account until the Effective Date.

22. Prior to the Effective Date, without further approval from Defendants or Tolledd Defendants or further order of the Court, Lead Counsel may expend up to \$200,000 from the Settlement Fund to pay Notice and Administration Expenses actually incurred. Additional sums for this purpose prior to the Effective Date may be paid from the Settlement Fund upon agreement of the Parties or order of the Court. Taxes and fees related to the Escrow Account and investment of the Settlement Fund may be paid as incurred, without further approval of Defendants or Tolledd Defendants or further order of the Court. After the Effective Date, without approval of Defendants or Tolledd Defendants or further order of the Court, Notice and Administration Expenses may be paid as incurred.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

23. Lead Counsel will apply to the Court for a Distribution Order, on notice to Defendants' Counsel, approving the Claims Administrator's determinations concerning the acceptance and rejection of the claims submitted, and, if the Effective Date has occurred, directing the payment of the Net Settlement Fund to Authorized Claimants.

24. The Claims Administrator shall administer the Settlement under Lead Counsel's supervision in accordance with the terms of this Stipulation and subject to the jurisdiction of the Court. Except as stated in ¶¶ 6-7, hereof, Defendants, Tolledd Defendants and Defendants' Counsel shall have no responsibility for, interest in, or liability whatsoever with respect to the administration of the Settlement or the actions or decisions of the Claims Administrator, and shall have no liability to the Settlement Class in connection with such administration.

25. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Loss, as defined in the Plan of Allocation of Net Settlement Fund (the "Plan of Allocation") included in the Notice, or in such other plan of allocation as the Court may approve.

26. Defendants and Tolerated Defendants have no role in the development of, and will take no position with respect to, the Plan of Allocation. The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Plan of Allocation is not a necessary term of this Stipulation and it is not a condition of this Stipulation that any particular plan of allocation be approved by the Court. Lead Plaintiffs and Lead Counsel may not cancel or terminate the Stipulation or the Settlement in accordance with ¶ 39 or otherwise based on the Court's or any appellate court's ruling with respect to the Plan of Allocation or any plan of allocation in the Action. Defendants, Tolerated Defendants and Defendants' Counsel shall have no responsibility or liability for reviewing or challenging claims, the allocation of the Net Settlement Fund, or the distribution of the Net Settlement Fund.

27. If there is any balance remaining in the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise) after six (6) months from the date of distribution of the Net Settlement Fund, Lead Counsel shall, if feasible and economical, reallocate such balance in an equitable and economic fashion among Authorized Claimants who have cashed their checks. Any balance that still remains in the Net Settlement Fund that is not feasible or economical to reallocate, after payment of Notice and Administration Expenses, Taxes, and any additional Court-approved attorneys' fees and expenses, shall be contributed to non-sectarian,

not-for-profit charitable organization(s) serving the public interest, designated by Lead Plaintiffs and approved by the Court.

ADMINISTRATION OF THE SETTLEMENT

28. Any Settlement Class Member who fails to timely submit a valid Proof of Claim will not be entitled to receive any of the proceeds from the Net Settlement Fund, except as otherwise ordered by the Court, but will otherwise be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternative Judgment to be entered in the Action and all releases provided for herein, and will be barred from bringing any action against the Released Defendant Parties concerning the Released Claims.

29. Lead Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund by the Claims Administrator. Lead Counsel shall have the right, but not the obligation, to advise the Claims Administrator to waive what Lead Counsel deems to be *de minimis* or formal or technical defects in any Proof of Claim submitted. Defendants, Tolerated Defendants and Defendants' Counsel shall have no liability, obligation or responsibility for the administration of the Settlement, the allocation of the Net Settlement Fund, or the reviewing or challenging of claims of Settlement Class Members.

30. For purposes of determining the extent, if any, to which a Settlement Class Member shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

(a) Each Settlement Class Member shall be required to submit a Proof of Claim supported by such documents as are designated therein, including proof of the claimant's loss, or such other documents or proof as the Claims Administrator or Lead Counsel, in their discretion, may deem acceptable;

(b) All new Proofs of Claim must be submitted by the date set by the Court in the Preliminary Approval Order and specified in the Notice, unless such deadline is extended by Lead Counsel in their discretion, or by Order of the Court. All Proofs of Claim submitted in connection with the Colonial I Settlement must have been submitted by February 28, 2014 in order to be processed in the Settlement, unless such deadline is extended by Lead Counsel in their discretion, or by Order of the Court. Any Settlement Class Member who fails to submit a timely Proof of Claim shall be barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Stipulation (unless, by Order of the Court or the discretion of Lead Counsel, late-filed Proofs of Claim are accepted), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternative Judgment and all releases provided for herein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind against any Released Defendant Party concerning any Released Claim. Provided that it is received before the motion for the Distribution Order is filed, a Proof of Claim shall be deemed to be submitted when mailed, if received with a postmark on the envelope and if mailed by first-class or overnight U.S. Mail and addressed in accordance with the instructions thereon. In all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator;

(c) Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator, under the supervision of Lead Counsel, who shall determine in accordance with this Stipulation the extent, if any, to which each claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below;

(d) Proofs of Claim that do not meet the submission requirements may be rejected. Prior to rejecting a Proof of Claim in whole or in part, the Claims Administrator shall communicate with the claimant in writing to give the claimant the chance to remedy any curable deficiencies in the Proof of Claim submitted. The Claims Administrator, under supervision of Lead Counsel, shall notify, in a timely fashion and in writing, all claimants whose claims the Claims Administrator proposes to reject in whole or in part for curable deficiencies, setting forth the reasons therefor, and shall indicate in such notice that the claimant whose claim is to be rejected has the right to a review by the Court if the claimant so desires and complies with the requirements of subparagraph (e) below;

(e) If any claimant whose claim has been rejected in whole or in part desires to contest such rejection, the claimant must, within twenty (20) calendar days after the date of mailing of the notice required in subparagraph (d) above or a lesser period of time if the claim is untimely, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the Court; and

(f) The determinations of the Claims Administrator accepting or rejecting disputed claims shall be presented to the Court, on notice to Defendants' Counsel, for approval by the Court in the Distribution Order.

31. Each claimant who submits a Proof of Claim shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant's claim, including but not limited to, all releases provided for herein and in the Judgment or Alternative Judgment, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided

that such investigation and discovery shall be limited to the claimant's status as a Settlement Class Member and the validity and amount of the claimant's claim. In connection with processing the Proofs of Claim, no discovery shall be allowed on the merits of the Action or the Settlement.

32. Payment pursuant to the Distribution Order shall be deemed final and conclusive against any and all Settlement Class Members. All Settlement Class Members whose claims are not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternative Judgment to be entered in the Action and the releases provided for herein and therein, and will be barred from bringing any action against the Released Defendant Parties concerning the Released Claims.

33. All proceedings with respect to the administration, processing and determination of claims described by this Stipulation and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court, but shall not in any event delay or affect the finality of the Judgment or Alternative Judgment.

34. No Person shall have any claim of any kind against the Released Defendant Parties or Defendants' Counsel with respect to the matters set forth in this section (*i.e.*, ¶¶ 23-35) or any of its subsections, or otherwise related in any way to the administration of the Settlement, including without limitation the processing of claims and distributions.

35. No Person shall have any claim against Plaintiffs, Plaintiffs' Counsel, or the Claims Administrator, or other agent designated by Lead Counsel, based on the distributions

made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

TERMS OF THE PRELIMINARY APPROVAL ORDER

36. Concurrently with their application for preliminary approval by the Court of the Settlement contemplated by this Stipulation and promptly upon execution of this Stipulation, and no later than thirty (30) calendar days after the execution of the Stipulation, Lead Counsel and Defendants' Counsel shall jointly apply to the Court for entry of the Preliminary Approval Order, which shall be substantially in the form annexed hereto as Exhibit A. The Preliminary Approval Order will, *inter alia*, set the date for the Settlement Hearing, approve the form of notice, and prescribe the method for giving notice of the Settlement to the Settlement Class.

TERMS OF THE JUDGMENT

37. If the Settlement contemplated by this Stipulation is approved by the Court, Lead Counsel and Defendants' Counsel shall jointly request that the Court enter a Judgment substantially in the form annexed hereto as Exhibit B.

EFFECTIVE DATE OF SETTLEMENT

38. The Effective Date of this Settlement shall be the first business day on which all of the following shall have occurred or been waived:

- (a) entry of the Preliminary Approval Order, which shall be in all material respects substantially in the form set forth in Exhibit A annexed hereto;
- (b) payment of the Settlement Amount into the Escrow Account;
- (c) approval by the Court of the Settlement, following notice to the Settlement Class and the Settlement Hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure; and

(d) a Judgment, which shall be in all material respects substantially in the form set forth in Exhibit B annexed hereto, has been entered by the Court and has become Final; or in the event that an Alternative Judgment has been entered and none of the Parties elects to terminate the Settlement by reason of such variance, the Alternative Judgment has become Final.

WAIVER OR TERMINATION

39. Defendants, Tolerated Defendants, and Lead Plaintiffs shall have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so (“Termination Notice”), through counsel, to all other Parties hereto within fourteen (14) calendar days of: (i) the Court’s Final refusal to enter the Preliminary Approval Order in any material respect; (ii) the Court’s Final refusal to approve this Stipulation or any material part of it; (iii) the Court’s Final refusal to enter the Judgment in any material respect or an Alternative Judgment; or (iv) the date upon which the Judgment or Alternative Judgment is modified or reversed in any material respect by a Final order of the Court, the United States Court of Appeals, or the Supreme Court of the United States. For the avoidance of doubt, Lead Plaintiffs shall not have the right to terminate the Settlement due to any decision, ruling, or order respecting the Fee and Expense Application or any plan of allocation.

40. In addition to the foregoing, Defendants and Tolerated Defendants shall also have the right to withdraw from the Settlement in the event a Termination Threshold (defined below) has been reached. Simultaneously herewith, Defendants’ Counsel and Lead Counsel are executing a confidential Supplemental Agreement Regarding Requests for Exclusion (“Supplemental Agreement”). The Supplemental Agreement sets forth certain conditions under which Defendants and Tolerated Defendants shall have the option (which option shall be exercised unanimously by Defendants and Tolerated Defendants) to terminate the Settlement and render this Stipulation null and void in the event that requests for exclusion from the Settlement Class

exceed certain agreed-upon criteria (each of which is a “Termination Threshold” and, collectively, the “Termination Thresholds”). The Parties agree to maintain the confidentiality of the Termination Thresholds in the Supplemental Agreement, which shall not be filed with the Court unless a dispute arises as to its terms, or as otherwise ordered by the Court, nor shall the Supplemental Agreement otherwise be disclosed unless ordered by the Court. If submission of the Supplemental Agreement is required for resolution of a dispute or is otherwise ordered by the Court, the Parties will undertake to have the Termination Thresholds submitted to the Court *in camera* or under seal. In the event of a termination of this Settlement pursuant to the Supplemental Agreement, this Stipulation shall become null and void and of no further force and effect, with the exception of the provisions of ¶¶ 43-45 which shall continue to apply.

41. In addition to all of the rights and remedies that Lead Plaintiffs have under the terms of this Stipulation, Lead Plaintiffs shall also have the right to terminate the Settlement in the event that the Settlement Amount has not been paid in the time period provided for in ¶ 6 and/or ¶ 7 above, by providing written notice of the election to terminate to all other Parties and, thereafter, there is a failure to pay the Settlement Amount within fourteen (14) calendar days of such written notice.

42. If an option to withdraw from and terminate this Stipulation and Settlement arises under any of ¶¶ 39-41 above: (i) neither Defendants, Tolerated Defendants, nor Lead Plaintiffs (as the case may be) will be required for any reason or under any circumstance to exercise that option; and (ii) any exercise of that option shall be made in good faith, but in the sole and unfettered discretion of Defendants, Tolerated Defendants, or Lead Plaintiffs, as applicable.

43. Except as otherwise provided herein, in the event the Settlement is terminated or fails to become effective for any reason, then the Settlement shall be without prejudice, and none

of its terms, including, but not limited to, the certification of the Settlement Class, appointment of Class Representatives, and appointment of Class Counsel, shall be effective or enforceable except as specifically provided herein; the Parties shall be deemed to have reverted to their respective litigation positions in the Action immediately prior to their execution of the MOU on October 30, 2014; and, except as specifically provided herein, the Parties shall proceed in all respects as if this Stipulation and any related order had not been entered. In such event, the MOU, this Stipulation, and any aspect of the discussions or negotiations leading to this Stipulation shall not be admissible in this Action and shall not be used against or to the prejudice of Defendants or Tolled Defendants, or against or to the prejudice of Lead Plaintiffs, in any court filing, deposition, at trial, or otherwise.

44. In the event the Settlement is terminated or fails to become effective for any reason, any portion of the Settlement Amount previously paid, together with any earnings thereon, less any Taxes paid or due, less Notice and Administration Expenses actually incurred and paid or payable from the Settlement Amount, shall be returned to the Person(s) that made the deposit(s) within ten (10) business days after written notification of such event. At the request of Defendants' Counsel, the Escrow Agent or its designees shall apply for any tax refund owed on the amounts in the Escrow Account and pay the proceeds, after any deduction of any fees or expenses incurred in connection with such application(s), for refund to the Person(s) that made the deposits or as otherwise directed.

NO ADMISSION

45. Except as set forth in ¶ 46 below, this Stipulation, whether or not consummated, and whether or not approved by the Court, and any discussion, negotiation, proceeding, or agreement relating to the Stipulation, the Settlement, and any matter arising in connection with settlement discussions or negotiations, proceedings, or agreements, shall not be offered or

received against or to the prejudice of the Parties or their respective counsel, for any purpose other than in an action to enforce the terms hereof, and in particular:

(a) do not constitute, and shall not be offered or received against or to the prejudice of Defendants or Tolerated Defendants as, evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by Defendants or Tolerated Defendants with respect to the truth of any allegation by Plaintiffs and the Settlement Class, or the validity of any claim that has been or could have been asserted in the Action or in any litigation, including but not limited to the Released Claims, or of any liability, damages, negligence, fault or wrongdoing of Defendants or Tolerated Defendants or any person or entity whatsoever;

(b) do not constitute, and shall not be offered or received against or to the prejudice of Defendants or Tolerated Defendants as, evidence of a presumption, concession, or admission of any fault, misrepresentation, or omission with respect to any statement or written document approved or made by the Defendants or the Tolerated Defendants, or against or to the prejudice of Plaintiffs or any other member of the Settlement Class as evidence of any infirmity in the claims of Plaintiffs or the other members of the Settlement Class;

(c) do not constitute, and shall not be offered or received against or to the prejudice of Defendants, Tolerated Defendants, Plaintiffs, any other member of the Settlement Class, or their respective counsel as, evidence of a presumption, concession, or admission with respect to any liability, damages, negligence, fault, infirmity, or wrongdoing, or in any way referred to for any other reason against or to the prejudice of any of the Defendants, Tolerated Defendants, Plaintiffs, other members of the Settlement Class, or their respective counsel, in any other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(d) do not constitute, and shall not be construed against Defendants, Tolle Defendants, Plaintiffs, or any other member of the Settlement Class as, an admission or concession that the consideration to be given hereunder represents the amount that could be or would have been recovered after trial; and

(e) do not constitute, and shall not be construed as or received in evidence as, an admission, concession, or presumption against Plaintiffs or any other member of the Settlement Class that any of their claims are without merit or infirm or that damages recoverable under the Consolidated Complaint or the Amended Complaint would not have exceeded the Settlement Amount.

46. Any of the Parties, and their respective counsel, may file this Stipulation and/or the Judgment or Alternative Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, statute of limitations, statute of repose, good-faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim, or to effectuate any liability protection granted them under any applicable insurance policy. The Parties may file this Stipulation and/or the Judgment or Alternative Judgment in any action that may be brought to enforce the terms of this Stipulation and/or the Judgment or Alternative Judgment. All Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement.

MISCELLANEOUS PROVISIONS

47. All of the exhibits to the Stipulation, except any plan of allocation to the extent incorporated in those exhibits, are material and integral parts hereof and are fully incorporated herein by this reference.

48. If, before the Settlement become Final, any Defendant or Tolleed Defendant files for protection under the Bankruptcy Code or any similar law or a trustee, receiver, conservator, or other fiduciary is appointed under Bankruptcy, or any similar law, and in the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money or any portion thereof to the Settlement Fund by or on behalf of such Defendant or Tolleed Defendant to be a preference, voidable transfer, fraudulent transfer or similar transaction and any portion thereof is required to be returned, and such amount is not promptly deposited into the Settlement Fund by others, then, at the election of Lead Plaintiffs, the Parties shall jointly move the Court to vacate and set aside the release given and the Judgment or Alternative Judgment entered in favor of that Defendant or Tolleed Defendant and that Defendant or Tolleed Defendant and the members of the Settlement Class shall be restored to their litigation positions immediately prior to the execution of the MOU. All releases and the Judgment or Alternative Judgment as to other Defendants shall remain unaffected.

49. Defendants and Tolleed Defendants each warrant, as to themselves and the payments made on their respective behalves, that, at the time of such payment, each will not be insolvent, nor will payment render each insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including Sections 101 and 547 thereof.

50. The Parties intend the Settlement to be the full, final, and complete resolution of all claims asserted or that could have been asserted by the Parties with respect to the Released Claims and Released Defendants' Claims. Accordingly, the Parties agree not to assert in any forum that the Action was brought, prosecuted, or defended in bad faith or without a reasonable basis. The Parties and their counsel agree that each has complied fully with Rule 11 of the Federal Rules of Civil Procedure in connection with the maintenance, prosecution, defense, and

settlement of the Action and shall not make any application for sanctions, pursuant to Rule 11 or other court rule or statute, with respect to any claim or defense in this Action. The Parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's-length and in good faith by the Parties and their respective counsel and reflect a settlement that was reached voluntarily based upon adequate information and after consultation with experienced legal counsel.

51. This Stipulation, along with its exhibits and the Supplemental Agreement, may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by all Parties hereto or their successors.

52. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

53. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and any expenses, and implementing and enforcing the terms of this Stipulation.

54. The waiver by one Party of any breach of this Stipulation by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

55. This Stipulation, its exhibits, and the Supplemental Agreement constitute the entire agreement among the Parties concerning the Settlement as against Defendants and Tolerated Defendants, and no representation, warranty, or inducement has been made by any Party concerning this Stipulation, its exhibits, and the Supplemental Agreement other than those contained and memorialized in such documents.

56. Nothing in the Stipulation, or the negotiations relating thereto, is intended to or shall be deemed to constitute a waiver of any applicable privilege or immunity, including, without limitation, attorney-client privilege, joint defense privilege, or work product protection.

57. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of this Stipulation.

58. All designations and agreements made or orders entered during the course of the Action relating to the confidentiality of documents or information shall survive this Stipulation.

59. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. Signatures sent by facsimile or pdf'd via e-mail shall be deemed originals.

60. This Stipulation shall be binding when signed, but the Settlement shall be effective only on the condition that the Effective Date occurs.

61. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

62. The construction, interpretation, operation, effect, and validity of this Stipulation, and all documents necessary to effectuate it, shall be governed by the laws of the State of Alabama without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

63. This Stipulation shall not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations among the Parties, and all Parties have contributed substantially and materially to the preparation of this Stipulation.

64. Lead Counsel, on behalf of the Settlement Class Members, warrants and represents that it is expressly authorized by Lead Plaintiffs to take all appropriate action required or permitted to be taken by the Settlement Class Members pursuant to the Stipulation to effectuate its terms and also is expressly authorized by Lead Plaintiffs to enter into any modifications or amendments to the Stipulation on behalf of the Settlement Class Members that it deems appropriate.

65. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related Settlement document, warrant and represent that they have the full authority to do so, and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

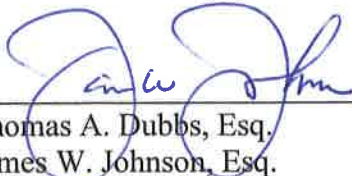
66. The Parties and their counsel agree to cooperate fully with one another in promptly applying for preliminary approval by the Court of the Settlement and for the scheduling of a hearing for consideration of final approval of the Settlement and Lead Counsel's application for an award of attorneys' fees and expenses, and to agree promptly upon and execute all such other documentation as reasonably may be required to obtain final approval by the Court of the Settlement.

67. Except as otherwise provided herein, each Party shall bear its own costs.

68. The Parties agree that, prior to final approval of the Settlement, the Parties will mediate any dispute between them arising out of the Settlement with Robert A. Meyer. The Parties submit to the jurisdiction of the United States District Court for the Northern District of Alabama for purposes of implementing and enforcing the Settlement embodied in the Stipulation.

IN WITNESS WHEREOF, the Parties have caused this Stipulation to be executed, by their duly authorized attorneys, as of February 3, 2015.

LABATON SUCHAROW LLP

By: 
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James W. Johnson, Esq.
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Attorneys for Lead Plaintiffs the Arkansas Teacher Retirement System, The State-Boston Retirement System, The Norfolk County Retirement System, and City of Brockton Retirement System and Lead Counsel for the Settlement Class

MAYNARD, COOPER & GALE, P.C.

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Attorneys for the Underwriter Defendants and Tolled Defendants

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By: _____
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(404) 572-4600

IN WITNESS WHEREOF, the Parties have caused this Stipulation to be executed, by their duly authorized attorneys, as of February 3, 2015.

LABATON SUCHAROW LLP

By: _____

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James W. Johnson, Esq.
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Attorneys for Lead Plaintiffs the Arkansas Teacher Retirement System, The State-Boston Retirement System, The Norfolk County Retirement System, and City of Brockton Retirement System and Lead Counsel for the Settlement Class

MAYNARD, COOPER & GALE, P.C.

By:  _____

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Attorneys for the Underwriter Defendants and Tolloed Defendants

KING & SPALDING LLP

By: _____

Elizabeth V. Tanis, Esq.
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(404) 572-4600

IN WITNESS WHEREOF, the Parties have caused this Stipulation to be executed, by their duly authorized attorneys, as of February 3, 2015.

LABATON SUCHAROW LLP

By: _____

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Attorneys for Lead Plaintiffs the Arkansas Teacher Retirement System, The State-Boston Retirement System, The Norfolk County Retirement System, and City of Brockton Retirement System and Lead Counsel for the Settlement Class

MAYNARD, COOPER & GALE, P.C.

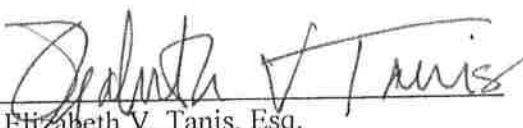
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*Co-Counsel for Defendant PricewaterhouseCoopers
LLP*

Exhibit A

**IN THE DISTRICT COURT OF THE UNITED STATES FOR THE
MIDDLE DISTRICT OF ALABAMA, NORTHERN DIVISION**

In re
COLONIAL BANCGROUP, INC.
SECURITIES LITIGATION

)
) Civil Action No.
) 2:09-CV-00104-RDP-WC
)
) **[PROPOSED] ORDER GRANTING**
) **PRELIMINARY APPROVAL OF**
) **CLASS ACTION SETTLEMENT,**
) **APPROVING FORM AND MANNER**
) **OF NOTICE, AND SETTING DATE**
) **FOR HEARING ON FINAL**
) **APPROVAL OF SETTLEMENT**

WHEREAS, as of _____, 2015, Lead Plaintiffs Arkansas Teacher Retirement System, State-Boston Retirement System, Norfolk County Retirement System, and City of Brockton Retirement System (collectively, “Lead Plaintiffs”), on behalf of themselves, Plaintiff The Horace F. Moyer and Joan M. Moyer Living Trust, Plaintiff City of Worcester Retirement System, and the proposed Settlement Class, and the Underwriter Defendants and PricewaterhouseCoopers LLP (collectively, “Defendants”) and the Tolled Defendants entered into a Stipulation and Agreement of Settlement with Remaining Defendants (the “Stipulation”) in the above-titled litigation (the “Action”), which is subject to review under Rule 23 of the Federal Rules of Civil Procedure and which, together with the exhibits thereto, sets forth the terms and conditions of the proposed settlement of the claims alleged in the Amended Complaint against the Defendants on the merits and with prejudice (the “Settlement”); and the court having read and considered the Stipulation and the accompanying exhibits; and the Parties to the Stipulation having consented to the entry of this Order; and all capitalized terms used in this Order that are not otherwise defined herein having the meanings defined in the Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED, this _____ day of _____, 2015 that:

1. The court has reviewed the Stipulation and preliminarily finds the Settlement set forth therein to be fair, reasonable and adequate, subject to further consideration at the Settlement Hearing described below.

2. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, for the purposes of the Settlement only, the court hereby certifies the Action as a class action on behalf of all Persons who purchased or acquired during the period between April 18, 2007 and August 6, 2009, inclusive (the "Class Period"): (i) the common stock of the Colonial BancGroup, Inc. ("Colonial"); (ii) Colonial's common stock traceable to the Company's April 23, 2008 stock offering pursuant to the Registration Statement and Prospectus filed with the Securities and Exchange Commission (the "Stock Offering"); and (iii) the \$250 million worth of Subordinated Notes due in 2038, paying 8.875% interest on a quarterly basis, pursuant or traceable to Colonial's Form S-3/A Shelf Registration Statement and Prospectus dated November 12, 2004 and Form 424 (b)(2) Prospectus Supplement dated February 28, 2008 (the "Note Offering" and together with Colonial's common stock and the Stock Offering, "Colonial Securities"), and were allegedly damaged thereby (the "Settlement Class"). Excluded from the Settlement Class are: the current and former defendants in the Action; the current and former officers and directors of the Company; members of the immediate families of the current and former defendants in the Action; the subsidiaries and affiliates of the Company; any entity in which the current and former defendants in the Action have or had a controlling interest; and the legal representatives, heirs, successors or assigns of any excluded person. Also excluded from the Settlement Class

will be any Person who timely and validly seeks exclusion from the Settlement Class in accordance with the requirements set forth in the Notice.

3. The court finds and concludes that the prerequisites of class action certification under Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure have been satisfied for the Settlement Class defined herein and for the purposes of the Settlement only, in that:

(a) the members of the Settlement Class are so numerous that joinder of all Settlement Class Members is impracticable;

(b) there are questions of law and fact common to the Settlement Class Members;

(c) the claims of Lead Plaintiffs are typical of the Settlement Class's claims;

(d) Lead Plaintiffs and Lead Counsel have fairly and adequately represented and protected the interests of the Settlement Class;

(e) the questions of law and fact common to Settlement Class Members predominate over any individual questions; and

(f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy, considering that the claims of Settlement Class Members in the Action are substantially similar and would, if tried, involve substantially identical proofs and may therefore be efficiently litigated and resolved on an aggregate basis as a class action; the amounts of the claims of many of the Settlement Class Members are too small to justify the expense of individual actions; and it does not appear that there is any interest among Settlement Class Members in individually controlling the litigation of their claims.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Lead Plaintiffs and additional named plaintiffs The Horace F. Moyer and

Joan M. Moyer Living Trust and City of Worcester Retirement System are certified as Class Representatives for the Settlement Class and the law firm of Labaton Sucharow LLP is appointed Class Counsel for the Settlement Class.

5. A hearing (the “Settlement Hearing”) pursuant to Rule 23(e) of the Federal Rules of Civil Procedure is hereby scheduled to be held before the court on _____, 2015, at ____:_____.m. for the following purposes:

(a) to determine whether the proposed Settlement is fair, reasonable and adequate, and should be approved by the court;

(b) to determine whether the proposed Final Order and Judgment as to Remaining Defendants (“Judgment”) as provided under the Stipulation should be entered, and to determine whether the release by the Settlement Class of the Released Claims, as set forth in the Stipulation, should be provided to the Released Defendant Parties;

(c) to determine, for purposes of the Settlement only, whether the Settlement Class should be finally certified; whether Lead Plaintiffs and the additional named plaintiffs should be finally certified as Class Representatives for the Settlement Class; and whether the law firm of Labaton Sucharow LLP should be finally appointed as Class Counsel for the Settlement Class;

(d) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable and should be approved by the court;

(e) to consider Lead Counsel’s application for an award of attorneys’ fees and payment of expenses (which may include an application for an award to Lead Plaintiffs for reimbursement of their reasonable costs and expenses directly related to their representations of

the Settlement Class, pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”)); and

(f) to rule upon such other matters as the court may deem appropriate.

6. The court reserves the right to approve the Settlement with or without modification and with or without further notice of any kind. The court further reserves the right to enter the Judgment approving the Settlement regardless of whether it has approved the Plan of Allocation or awarded attorneys’ fees and/or expenses. The court may also adjourn the Settlement Hearing or modify any of the dates herein without further notice to members of the Settlement Class.

7. The court approves the form, substance and requirements of the Notice of Proposed Settlement with Remaining Defendants and Motion for Attorneys’ Fees and Expenses (the “Notice”) and the Proof of Claim and Release form (“Proof of Claim”), substantially in the forms annexed hereto as Exhibits 1 and 2, respectively.

8. The court approves the retention of Strategic Claims Services as the Claims Administrator. The Claims Administrator shall cause the Notice and the Proof of Claim, substantially in the forms annexed hereto, to be mailed by first-class mail, postage prepaid, no later than (10) business days after entry of this Preliminary Approval Order (“Notice Date”), to all Settlement Class Members who can be identified with reasonable effort, including by using information provided in connection with the previously approved Colonial I Settlement.

9. The Claims Administrator shall use reasonable efforts to give notice to nominee purchasers such as brokerage firms and other persons or entities that purchased Colonial Securities during the Class Period as record owners but not as beneficial owners by, *inter alia*, using information provided in connection with the Colonial I Settlement. Nominee purchasers

that did not previously provide information, or that need to supplement previously provided information, are directed within seven (7) calendar days of their receipt of the Notice and Proof of Claim form (the "Notice Packet"), to either (i) provide the Claims Administrator with lists of the names and last known addresses of the beneficial owners, and the Claims Administrator is ordered to thereafter send the Notice Packet promptly to such identified beneficial owners by first-class mail, or (ii) request additional copies of the Notice Packet and within seven (7) calendar days of receipt of such copies send them by first-class mail directly to the beneficial owners. Nominee purchasers that did respond in the Colonial I Settlement and that are provided with Notice Packets in the instant Settlement are directed to, within seven (7) calendar days of receipt of such copies, send them by first-class mail directly to the beneficial owners. All nominee purchasers that elect to send the Notice and Proof of Claim to their beneficial owners shall also send a statement to the Claims Administrator confirming that the mailing was made as directed and shall retain the relevant name and address records for future use in the Settlement. Additional copies of the Notice shall be made available to any record holder requesting such for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Settlement Fund, after receipt by the Claims Administrator of proper documentation, for their reasonable expenses actually incurred in sending the Notices and Proofs of Claim to beneficial owners.

10. Lead Counsel shall, at or before the Settlement Hearing, file with the court proof of mailing of the Notice and Proof of Claim.

11. The court approves the form of the Summary Notice of Proposed Settlement with Remaining Defendants and Motion for Attorneys' Fees ("Summary Notice") substantially in the form annexed hereto as Exhibit 3, and directs that Lead Counsel shall cause the Summary Notice

to be published in *Investor's Business Daily* and transmitted over *PR Newswire* within fourteen (14) calendar days of the Notice Date. Lead Counsel shall, at or before the Settlement Hearing, file with the court proof of publication of the Summary Notice.

12. The form and content of the notice program described herein, and the methods set forth herein of notifying the Settlement Class of the Settlement and its terms and conditions, meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 27 of the Securities Act of 1933, 15 U.S.C. §77z-1(a)(7), as amended by the PSLRA, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the PSLRA, and due process, constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons and entities entitled thereto.

13. In order to be eligible to receive a distribution from the Net Settlement Fund, in the event the Settlement is effected in accordance with the terms and conditions set forth in the Stipulation, each Settlement Class Member shall take the following actions and be subject to the following conditions:

(a) A properly executed Proof of Claim from the Colonial I Settlement must have been submitted to the Claims Administrator by February 28, 2014 or, for those who did not previously submit a claim in the Colonial I Settlement, a properly executed Proof of Claim, substantially in the form annexed hereto as Exhibit 2, must be submitted to the Claims Administrator, at the address indicated in the Notice, postmarked or received no later than 120 calendar days after the Notice Date. Such deadline may be further extended by court Order or by Lead Counsel in their discretion. Each Proof of Claim shall be deemed to have been submitted when postmarked (if properly addressed and mailed by first-class mail, postage prepaid) provided such Proof of Claim is actually received prior to the motion for an order of

the court approving distribution of the Net Settlement Fund. Any Proof of Claim submitted in any other manner shall be deemed to have been submitted when it was actually received at the address designated in the Notice. Any Settlement Class Member who did not submit a Proof of Claim in the Colonial I Settlement by February 28, 2014 or who does not timely submit a Proof of Claim in this Settlement within the time provided for shall be barred from sharing in the distribution of the Net Settlement Fund, unless otherwise ordered by the court.

(b) The Proof of Claim submitted by each Settlement Class Member must satisfy the following conditions, unless otherwise ordered by the court: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by Lead Counsel; (iii) if the Person executing the Proof of Claim is acting in a representative capacity, a certification of her current authority to act on behalf of the Settlement Class Member must be included in the Proof of Claim; and (iv) the Proof of Claim must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

(c) As part of the Proof of Claim, each Settlement Class Member shall submit to the jurisdiction of the court with respect to the claim submitted.

14. Settlement Class Members shall be bound by all orders, determinations and judgments in this Action, whether favorable or unfavorable, unless such Persons request exclusion from the Settlement Class in a timely and proper manner, as hereinafter provided. A

Settlement Class Member wishing to make such an exclusion request shall mail the request in written form by first-class mail to the address designated in the Notice for such exclusions, such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing. Such request for exclusion must state the name, address and telephone number of the Person seeking exclusion, that the sender requests to be “excluded from the Settlement Class in *In re Colonial BancGroup, Inc. Securities Litigation*, 2:09-CV-00104-RDP-WC” and must be signed by such Person. Such Persons requesting exclusion are also directed to state: the date(s), price(s), and number(s) of shares/notes of all purchases, acquisitions and sales of Colonial Securities during the Class Period. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the court.

15. Settlement Class Members requesting exclusion from the Settlement Class shall not be eligible to receive any payment out of the Net Settlement Fund as described in the Stipulation and Notice.

16. The court will consider any Settlement Class Member’s objection to the Settlement, the Plan of Allocation, and/or the application for an award of attorneys’ fees or payment of expenses only if such Settlement Class Member has served by hand or by mail his, her or its written objection and supporting papers such that they are received on or before twenty-one (21) calendar days before the Settlement Hearing, upon Lead Counsel, James W. Johnson, Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, and Defendants’ Counsel, Carl S. Burkhalter, Maynard, Cooper & Gale, P.C., 1901 Sixth Avenue North, 2400 Regions Harbert Plaza, Birmingham, AL, 35203 and Drew D. Dropkin, King & Spalding LLP, 1180 Peachtree Street, NE, Atlanta, GA 30309 and has filed said objections and supporting

papers with the Clerk of the Court, United States District Court for the Middle District of Alabama, Northern Division, P.O. Box 711, Montgomery, AL 36101-0711. Any Settlement Class Member who does not make his, her or its objection in the manner provided for in the Notice shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to any aspect of the Settlement, to the Plan of Allocation, or to the request for attorneys' fees and expenses, unless otherwise ordered by the court, but shall otherwise be bound by the Judgment to be entered and the releases to be given. Attendance at the hearing is not necessary; however, Persons wishing to be heard orally in opposition to the approval of the Settlement, the Plan of Allocation, and/or the application for an award of attorneys' fees and other expenses are required to indicate in their written objection their intention to appear at the hearing. Persons who intend to object to the Settlement, the Plan of Allocation, and/or the application for an award of attorneys' fees and expenses and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

17. Pending final determination of whether the Settlement should be approved, Plaintiffs, all Settlement Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not institute, commence or prosecute any action which asserts Released Claims against the Released Defendant Parties.

18. As provided in the Stipulation, prior to the Effective Date, Lead Counsel may pay the Claims Administrator a portion of the reasonable fees and costs associated with giving notice to the Settlement Class and the review of claims and administration of the Settlement out of the

Settlement Fund without further approval from the Defendants or the Tolled Defendants and without further order of the court.

19. All papers in support of the Settlement, Plan of Allocation, and Lead Counsel's request for an award of attorneys' fees and expenses shall be filed with the court and served on or before thirty-five (35) calendar days prior to the date set herein for the Settlement Hearing. If reply papers are necessary, they are to be filed with the court and served no later than seven (7) calendar days prior to the Settlement Hearing.

20. The passage of title and ownership of the Settlement Fund to the Escrow Agent in accordance with the terms and obligations of the Stipulation is approved. No Person who is not a Settlement Class Member or Lead Counsel shall have any right to any portion of, or to any distribution of, the Net Settlement Fund unless otherwise ordered by the court or otherwise provided in the Stipulation.

21. All funds held in escrow shall be deemed and considered to be in *custodia legis* of the court, and shall remain subject to the jurisdiction of the court until such time as such funds shall be disbursed as authorized and/or further order of the court.

22. If the Settlement fails to become effective as defined in the Stipulation or is terminated, then, in any such event, the Stipulation, including any amendment(s) thereof, except as expressly provided in the Stipulation, and this Preliminary Approval Order shall be null and void, of no further force or effect, and without prejudice to any Party, and may not be introduced as evidence or used in any actions or proceedings by any person or entity against the Parties, and the Parties shall be deemed to have reverted to their respective litigation positions in the Action as of October 30, 2014.

23. The court retains exclusive jurisdiction over the Action to consider all further matters arising out of or connected with the Settlement.

Dated: _____, 2015

Honorable R. David Proctor
UNITED STATES DISTRICT JUDGE

Exhibit A-1

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE
MIDDLE DISTRICT OF ALABAMA, NORTHERN DIVISION

In re) Civil Action No.
COLONIAL BANCGROUP, INC.) 2:09-CV-00104-RDP-WC
SECURITIES LITIGATION)
) **NOTICE OF PROPOSED**
) **SETTLEMENT WITH REMAINING**
) **DEFENDANTS AND MOTION FOR**
) **ATTORNEYS' FEES AND**
) **EXPENSES**
)

If you purchased or acquired publicly traded securities of The Colonial BancGroup, Inc. (“Colonial” or the “Company”) during the period between April 18, 2007 and August 6, 2009, inclusive (the “Class Period”), you may be eligible for a payment from a class action settlement.

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

The purpose of this Notice is to inform you of (i) the proposed Settlement of this class action with the remaining defendants in the litigation and (ii) the hearing to be held by the Court to consider approval of the Settlement, the proposed Plan of Allocation for the proceeds of the Settlement, and the application of Lead Counsel¹ for attorneys’ fees and expenses. This Notice explains important rights you may have, including what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Settlement Class (defined on page ___ below).

If approved by the Court, the proposed Settlement with Banc of America Securities LLC; Citigroup Global Markets Inc.; Credit Suisse Securities (USA) LLC; Deutsche Bank Securities Inc.; Morgan Keegan & Company, Inc.; Morgan Stanley & Co., Inc.; RBC Dain Rauscher Inc., Stifel, Nicolaus & Company, Inc.; SunTrust Robinson Humphrey, Inc.; UBS Securities LLC; and Wachovia Capital Markets, LLC (collectively, the “Underwriter Defendants”) and PricewaterhouseCoopers LLP (“PwC”) (collectively with the Underwriter Defendants, the “Defendants”) and Bear Stearns Companies; Charles Schwab & Co., Inc; Fidelity Capital Markets; H&R Block Financial Advisors, Inc. (n/k/a Ameriprise Financial Services, Inc.); J.J.B. Hilliard, W.L. Lyons, Inc.; Janney Montgomery Scott LLC; Keefe, Bruyette & Woods, Inc.; Oppenheimer & Co., Inc.; Raymond James & Associates; Robert W. Baird & Co. Incorporated; Sterne, Agee & Leach, Inc.; Wells Fargo Securities, LLC; B.C. Ziegler and Company; City Securities Corporation; Crowell, Weedon & Co.; D.A. Davidson & Co.; Davenport & Company, LLC; Doley Securities, LLC; Ferris, Baker Watts, Inc. (n/k/a RBC Wealth Management); Fixed Income Securities, LP (n/k/a Advisors Asset Management); Jefferies & Company, Inc.; Mesirow Financial, Inc.; Pershing LLC; Piper Jaffray & Co.; Samuel A. Ramirez & Co., Inc; Stone & Youngberg LLC; Wedbush Morgan Securities; and William Blair & Company, LLC

¹ All capitalized terms used in this Notice are defined in the Stipulation and Agreement of Settlement with Remaining Defendants (the “Stipulation”), dated as of _____, 2015.

(collectively, the “Tolled Defendants”) will create a \$7.9 million settlement fund for the benefit of eligible investors who purchased or acquired Colonial Securities (defined on page ___ below) during the Class Period.

The Settlement resolves *all* claims remaining in the Action brought by the Court-appointed lead plaintiffs Arkansas Teacher Retirement System, State-Boston Retirement System, Norfolk County Retirement System, and City of Brockton Retirement System (collectively, “Lead Plaintiffs”), on behalf of themselves, Plaintiff The Horace F. Moyer and Joan M. Moyer Living Trust, Plaintiff City of Worcester Retirement System, and the proposed Settlement Class. The Settlement avoids the costs and risks of continuing the Action, pays money to investors like you, and releases the Released Defendant Parties from liability.

The Settlement is in addition to a previously approved \$10.5 million settlement with the former officer and director defendants (the “Colonial I Settlement”).

The Court in charge of the Action still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after any appeals are resolved. Please be patient.

If you are in the Settlement Class, your legal rights will be affected whether or not you act. Please read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
ACTIONS YOU MAY TAKE	EFFECT OF TAKING THIS ACTION
SUBMIT A CLAIM FORM NO LATER THAN _____, 2015	If you did <i>not</i> previously submit a claim in connection with the Colonial I Settlement by February 28, 2014, you must do so now in order to be eligible to recover from the proposed Settlement. If you <i>did</i> previously submit a claim in the Colonial I Settlement by February 28, 2014, do not do so again . Your prior claim will be used again. <i>See</i> Section ___ for details.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS NO LATER THAN _____, 2015	Get no payment. This is the <i>only</i> option that, assuming your claim is timely brought, allows you to ever be part of any other lawsuit concerning the Released Claims (defined below) against Defendants and the other Released Defendant Parties (defined below). It is also the <i>only</i> way for Settlement Class Members to remove themselves from the Settlement Class. <i>See</i> Section ___ for details.
OBJECT TO THE SETTLEMENT NO LATER THAN _____, 2015	Write to the Court and explain why you do not like the Settlement, the proposed Plan of Allocation, and/or the request for attorneys’ fees and payment of expenses. You

	cannot object if you are not a Settlement Class Member or if you exclude yourself. <i>See</i> Section __ for details.
GO TO THE HEARING ON _____, 2015 AT _:_.M., AND FILE A NOTICE OF INTENTION NO LATER THAN _____, 2015	Ask to speak in Court about the fairness of the Settlement, the proposed Plan of Allocation, and/or the request for attorneys' fees and payment of expenses.
DO NOTHING	Get no payment, if you did not submit a claim in the Colonial I Settlement. Remain a Settlement Class Member. Give up your rights.

SUMMARY OF THIS NOTICE

I. Statement of Plaintiffs' Recovery

Pursuant to the proposed Settlement with the remaining Defendants in the Action, Lead Plaintiffs, on behalf of the proposed Settlement Class, have agreed to settle all claims related to the purchase or acquisition of Colonial Securities during the Class Period that were or could have been asserted against Defendants and Tolerated Defendants, in exchange for a payment of \$7,900,000 in cash (the "Settlement Amount"), which will be deposited into an interest-bearing escrow account (the "Settlement Fund"). Based on Lead Plaintiffs' estimate of the number of Colonial Securities that may have been damaged during the Class Period and assuming that all those securities participate in the Settlement, Lead Counsel estimates that the average recovery would be approximately \$0.02 per allegedly damaged share of common stock and \$0.14 per allegedly damaged note, before the deduction of Court-approved attorneys' fees and expenses, Taxes, and Notice and Administration Expenses. Settlement Class Members should note, however, that this is only an estimate based on the overall number of potentially damaged securities purchased by the Settlement Class. Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, when their security was purchased, the type of security purchased, and the prices at which the security was

purchased or sold. The Net Settlement Fund (the Settlement Fund less Taxes, Notice and Administration Expenses, and attorneys' fees and litigation expenses awarded) will be distributed in accordance with a plan of allocation (the "Plan of Allocation") approved by the Court that will determine how the Net Settlement Fund shall be allocated to the members of the Settlement Class. The proposed Plan of Allocation is included in this Notice (*see* page ____ below).

II. Statement of Potential Outcome of the Case

The Parties do not agree on the average amount of damages per share or note of Colonial Securities that would be recoverable if Lead Plaintiffs were to prevail on the claims against Defendants. Defendants and Tolledd Defendants deny all liability and that any of Colonial's publicly traded securities were damaged as Lead Plaintiffs have alleged. The issues about which the Parties disagree include, for example: (i) whether the prices of Colonial Securities were artificially inflated as a result of the alleged misstatements and omissions by Defendants and Tolledd Defendants; (ii) the amount by which the prices of Colonial Securities were artificially inflated, if any, as a result of the alleged misstatements and omissions by Defendants and Tolledd Defendants; (iii) the amount of any alleged damages suffered by purchasers of Colonial Securities; (iv) the appropriate economic models for determining the amounts by which the prices of Colonial Securities were allegedly artificially inflated (if at all); (v) the effect of various market forces influencing the trading prices of Colonial Securities; (vi) whether the statements made or facts allegedly omitted were material, false, misleading or otherwise actionable under the federal securities laws; and (vii) whether, even if liability could be proven, total damages would be greater than zero dollars.

III. Statement of Attorneys' Fees and Litigation Expenses Sought

Lead Counsel will apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 25% of the Settlement Fund, which will include accrued interest. In addition, Lead Counsel also will apply for the payment of litigation expenses incurred in connection with the prosecution and resolution of the Action, in an amount not to exceed \$500,000, plus interest from the date of funding at the same rate as earned by the Settlement Fund. Lead Counsel's Fee and Expense Application may include a request for an award to Lead Plaintiffs Arkansas Teacher Retirement System, State-Boston Retirement System, Norfolk County Retirement System, and City of Brockton Retirement System for reimbursement of their reasonable costs and expenses directly related to their representation of the Settlement Class, pursuant to the Private Securities Litigation Reform Act of 1995 (the "PSLRA"). If the Court approves Lead Counsel's Fee and Expense Application in full, the average amount of fees and expenses will be approximately \$0.005 per allegedly damaged share of common stock and \$0.04 per allegedly damaged note.

IV. Identification of Attorneys Representatives

Lead Plaintiffs and the Settlement Class are being represented by Labaton Sucharow LLP, the Court-appointed Lead Counsel. Any questions regarding the Settlement should be directed to James W. Johnson, Esq., Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, Tel: (888) 219-6877, www.labaton.com, settlementquestions@labaton.com.

V. Reasons for the Settlement

For Lead Plaintiffs, the principal reason for the Settlement is the immediate benefit of a substantial cash recovery for the Settlement Class. This benefit must be compared to the risk that no recovery or a smaller recovery might be achieved after a contested trial and appeals are resolved, likely years into the future. For Defendants and Tolledd Defendants, who deny all

allegations of liability and deny that any Settlement Class Members were damaged, the principal reason for the Settlement is to eliminate the burden, expense, uncertainty and risk of further litigation.

[END OF PSLRA COVER PAGE]

BASIC INFORMATION

1. Why did I get this Notice?

You or someone in your family may have purchased Colonial Securities during the period between April 18, 2007 and August 6, 2009, inclusive. Colonial Securities are:

- the common stock of Colonial;
- Colonial's common stock traceable to the Company's April 23, 2008 stock offering pursuant to the Registration Statement and Prospectus filed with the Securities and Exchange Commission (the "Stock Offering"); and
- the \$250 million worth of Subordinated Notes due in 2038, paying 8.875% interest on a quarterly basis ("Subordinated Notes"), pursuant or traceable to Colonial's Form S-3/A Shelf Registration Statement and Prospectus dated November 12, 2004 and Form 424 (b)(2) Prospectus Supplement dated February 28, 2008 (the "Note Offering").

The Court directed that this Notice be sent to Settlement Class Members because they have a right to know about the proposed Settlement of this class action lawsuit, and about all of their options, before the Court decides whether to approve the Settlement. If approved, the Settlement will end all of the claims in the Action. The Court will consider whether to approve the Settlement at a Settlement Hearing on _____, 2015 at __: __.m. If the Court approves the Settlement, and after any appeals are resolved and the Settlement administration is completed, the claims administrator appointed by the Court will make the payments that the Settlement allows.

The Court in charge of the case is the United States District Court for the Middle District of Alabama, Northern Division (the "Court"), and the case is known as *In re Colonial BancGroup, Inc. Securities Litigation*, 2:09-CV-00104-RDP-WC. This case was assigned to

United States District Judge R. David Proctor. The persons who are suing are called “plaintiffs” and the entities being sued are called “defendants.”

2. What is this lawsuit about and what has happened so far?

This Action began in February 2009 when a series of securities class action complaints were filed against Colonial and certain of its officers and directors in the United States District Court for the Middle District of Alabama, Northern Division. On May 7, 2009, the Court appointed Lead Plaintiffs and appointed Labaton Sucharow LLP as Lead Counsel. Lead Plaintiffs filed a Consolidated Class Action Complaint for Violations of the Federal Securities Laws (the “Consolidated Complaint”) on June 22, 2009 alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder by the U.S. Securities and Exchange Commission (“SEC”) and violations of Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 (the “Securities Act”). The Exchange Act claims alleged violations of the anti-fraud provisions of the securities laws arising from alleged misstatements and omissions made in connection with Colonial’s publicly-filed financials and other alleged misstatements made by Colonial’s senior officers. The Securities Act claims arise from the Stock Offering and the Note Offering conducted by the Company in April and March of 2008, respectively.

On August 25, 2009, Colonial filed for bankruptcy protection pursuant to Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Middle District of Alabama. The Court thereafter invited comment as to whether the Action should be stayed as a result of the petition. On September 2009, Defendants began filing motions to dismiss the Complaint and on September 25, 2009, the Court suspended further briefing on the motions to dismiss pending the Court’s decision as to whether the automatic bankruptcy stay should stay the

Action. On January 7, 2010, the Court ruled that the bankruptcy stay should not be extended to the Action, and the stay was lifted. The parties completed briefing the motions to dismiss in February 2010.

On May 14, 2010, the Court issued orders denying all motions to dismiss. On May 18, 2010, Judge Myron F. Thompson notified the parties that he had a disqualifying conflict and recused himself. The Action was stayed pending reassignment, and all Defendants moved for reconsideration of the denial of their motions to dismiss. On August 27, 2010, the Action was assigned to Judge R. David Proctor. On December 15, 2010, a status conference was held in which the Court deemed the motions to reconsider moot and instructed Lead Plaintiffs to file an amended complaint.

On April 29, 2011, Lead Plaintiffs filed the operative First Amended Consolidated Class Action Complaint for Violations of the Federal Securities Laws (the “Amended Complaint”). The Amended Complaint alleged claims against PwC under Section 10(b) of the Exchange Act and Section 11 of the Securities Act, and claims against the Underwriter Defendants under Sections 11 and 12(a) of the Securities Act. On August 1, 2011, the Underwriter Defendants and PwC filed separate motions to dismiss the Amended Complaint. The Court heard oral argument on the motions on November 29, 2012.

On September 14, 2011, Lead Plaintiffs, the officer defendants, and the director defendants entered into the Colonial I Settlement, which was finally approved by the Court on April 19, 2012.

On March 15, 2013, Lead Plaintiffs sought leave to amend the Amended Complaint to add allegations regarding the subjective and objective falsity of Defendants’ alleged misstatements and to incorporate information obtained from a complaint against PwC by the

Federal Deposit Insurance Corporation (“FDIC”) and from a release by the Public Company Accounting Oversight Board (“PCAOB”). On September 9, 2013, the Court denied Lead Plaintiffs’ motion for leave to amend the Amended Complaint.

On September 9, 2013, the Court dismissed most of the Securities Act claims against the Underwriter Defendants and PwC. The Section 11 and 12 claims that remain are those that relate to the alleged mortgage warehouse lending division fraud at Colonial Bank. On March 27, 2014, the Court issued a Memorandum Opinion dismissing the Exchange Act claim against PwC, holding that Lead Plaintiffs failed to allege material misstatements, scienter, or loss causation. On May 2, 2014, Defendants filed and served answers to the Amended Complaint.

In late June 2014, the Parties engaged Robert A. Meyer, a well-respected and highly experienced mediator and a partner at Loeb & Loeb LLP in Los Angeles, to assist them in exploring a potential negotiated resolution of the claims. On September 10, 2014, Lead Plaintiffs and representatives of Defendants met with Mr. Meyer in an attempt to reach a settlement. The mediation involved an extended effort to settle the claims. Following lengthy, arm’s-length, and mediated negotiations under the auspices of Mr. Meyer, the Parties reached a tentative agreement to settle the remaining claims in the Action for \$7.9 million in cash. Following continued arm’s-length negotiations, the Parties entered into the Stipulation.

Defendants and Tolerated Defendants deny the claims and contentions alleged by Lead Plaintiffs in this Action, deny any liability whatsoever, and maintain that they have meritorious defenses to all claims that were raised or could have been raised in the Action.

3. What are the reasons for the Settlement?
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The Court did not decide in favor of Lead Plaintiffs or Defendants. Instead, both sides, with the assistance of a mediator, agreed to a settlement. The Settlement will end all the claims

in the Action and will avoid the uncertainties and costs of further litigation and any future trial. Affected investors will be eligible to get compensation soon, rather than after the time it would take to resolve future motions, conduct discovery, have a trial and exhaust all appeals.

The Settlement was reached after years of investigation and litigation. Lead Plaintiffs, through Lead Counsel, conducted an extensive investigation of the claims, defenses and underlying events and transactions relating to the Action. This investigation included, among other things: (i) review and analysis of documents filed publicly with the SEC; (ii) review and analysis of press releases issued by or concerning Colonial; (iii) review and analysis of research reports issued by financial analysts concerning Colonial Securities; (iv) review and analysis of news articles and media reports concerning Colonial's operations; (v) review and analysis of investigative findings by the FDIC and PCAOB; (vi) Lead Counsel's internal investigation, which involved the identification of more than 700 potential witnesses and contacting almost 80 potential witnesses; (vii) review and analysis of pleadings and materials filed in other actions that name certain Defendants or former defendants in the Action, including the October 31, 2012 FDIC complaint against PwC, the Taylor, Bean & Whitaker Plan Trust complaint filed against PwC, and transcripts from the trial of Lee B. Farkas; and (viii) consultations with experts. Further, Lead Counsel and Lead Plaintiffs participated in rigorous arm's-length negotiations and a mediation before an experienced mediator before entering into the Settlement.

Defendants and Tolerated Defendants deny all allegations of liability contained in the Amended Complaint and deny that they are liable to the Settlement Class. The Settlement should not be seen as an admission or concession on the part of Defendants or Tolerated Defendants about any of the claims, their fault or liability for damages.

WHO IS IN THE SETTLEMENT

4. Why is this a class action?

In a class action, one or more people called “class representatives” sue on behalf of people or entities, known as “class members,” who have similar claims. Here, the Court preliminarily certified the Settlement Class for purposes of the Settlement only. A class action allows one court to resolve in a single case many similar claims that, if brought separately by individuals, might be economically so small that they would never be brought. One court resolves the issues for all class members, except for those who exclude themselves, or “opt out,” from the class.

5. How do I know if I am part of the Settlement Class?

The Court determined, for the purpose of the proposed Settlement, that everyone who fits the following description is a member of the Settlement Class, unless they are an excluded person or they take steps to exclude themselves (*see* Question [13] below):

all persons and entities that purchased or acquired during the period between April 18, 2007 and August 6, 2009, inclusive: (i) the common stock of Colonial; (ii) Colonial’s common stock traceable to the Company’s April 23, 2008 stock offering pursuant to the Registration Statement and Prospectus filed with the Securities and Exchange Commission (the “Stock Offering”); and (iii) the \$250 million worth of Subordinated Notes due in 2038, paying 8.875% interest on a quarterly basis (“Subordinated Notes”), pursuant or traceable to Colonial’s Form S-3/A Shelf Registration Statement and Prospectus dated November 12, 2004 and Form 424 (b)(2) Prospectus Supplement dated February 28, 2008 (the “Note Offering”), and were allegedly damaged thereby.

Receipt of this Notice does not mean that you are a Settlement Class Member. Please check your records or contact your broker to see if you purchased Colonial Securities during the Class Period as described above.

6. Are there exceptions to being included in the Settlement Class?

There are some people who are excluded from the Settlement Class by definition.

Excluded from the Settlement Class are: the current and former defendants in the Action; the current and former officers and directors of the Company; members of the immediate families of the current and former defendants in the Action; the subsidiaries and affiliates of the Company; any entity in which the current and former defendants in the Action have or had a controlling interest; and the legal representatives, heirs, successors or assigns of any excluded person. Also excluded from the Settlement Class will be any person who timely and validly seeks exclusion from the Settlement Class in accordance with the requirements set forth in this Notice.

If you do not want to be a Settlement Class Member - for example if you want to continue with or bring your own lawsuit against Defendants, assuming your claim is brought timely, at your own expense for the claims that are being released as part of the Settlement - **you must** exclude yourself by submitting a request for exclusion in accordance with the requirements explained in Question [13] below.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can call the Claims Administrator at (____) ____ - ____ or visit www.strategicclaims.net. Or you can fill out and return the Proof of Claim and Release form (“Proof of Claim”) described in Question 10, to see if you qualify. (As discussed below, if you previously submitted a claim form in connection with the Colonial I Settlement, please **do not** do so again.)

THE SETTLEMENT BENEFITS—WHAT YOU MAY RECEIVE

8. What does the Settlement provide?

In exchange for the Settlement and the release of the Released Claims (defined below) against the Released Defendant Parties (defined below), Defendants and Tolerated Defendants have agreed to fund a \$7.9 million cash fund, which will earn interest, to be divided, after deduction of Taxes, Court-awarded attorneys' fees and expenses, and Notice and Administration Expenses, among all Settlement Class Members who timely submit valid Proofs of Claim that are accepted for payment by the Court. (This will be in addition to any distributions from the Colonial I Settlement.)

9. How much will my payment be?

Your share of the Net Settlement Fund will depend on several things, including: (i) the quantity and type of Colonial Securities you bought; (ii) how much you paid for those securities; (iii) when you bought them; (iv) whether or when you sold them (and, if so, for how much you sold them); and (v) the amount of Recognized Losses of other Authorized Claimants. (See the Plan of Allocation beginning on page [] for more information on your Recognized Loss.)

It is unlikely that you will get a payment for your entire Recognized Loss, given the number of potential Settlement Class Members. After all Settlement Class Members have submitted their Proofs of Claim, the payment any Authorized Claimant will get will be his, her, or its *pro rata* share of the Net Settlement Fund. An Authorized Claimant's *pro rata* share will be his, her, or its Recognized Loss divided by the total Recognized Losses of all Authorized Claimants and then multiplied by the total amount in the Net Settlement Fund.

HOW YOU GET A PAYMENT—SUBMITTING A PROOF OF CLAIM

10. How can I get a payment?

To be eligible for a payment from the Settlement, you must **EITHER:**

- (1) have already submitted a claim in connection with the prior Colonial I Settlement by February 28, 2014; **OR**
- (2) if you *did not* previously submit a claim in connection with the Colonial I Settlement by February 28, 2014, you must timely submit a validly completed Proof of Claim with supporting documents (DO NOT SEND ORIGINALS) in this Settlement.

DO NOT SUBMIT A PROOF OF CLAIM IF YOU ALREADY SUBMITTED A TIMELY ONE IN CONNECTION WITH THE COLONIAL I SETTLEMENT.

If you submitted a claim in the Colonial I Settlement by February 28, 2014, that claim and the transactional information you already provided will be used to determine your eligibility for a payment from this Settlement. If you previously received a letter from the Claims Administrator about your Colonial I Settlement claim being deficient, you must contact the Claims Administrator to rectify your claim before it can count in this Settlement. You can call the Claims Administrator at (____) ____ - ____ to find out if you previously submitted a claim and whether it was valid or deficient. (Checks have been mailed to all eligible claimants in the Colonial I Settlement.)

If the Claims Administrator **did not** receive a claim from you in connection with the Colonial I Settlement or you submitted a claim **after February 28, 2014**, you must submit the Proof of Claim that is being mailed to you with this Notice in order to be eligible to recover from this Settlement. You may also get a Proof of Claim on the Internet at the websites for the Claims Administrator: www.strategicclaims.net, or Lead Counsel: www.labaton.com. Please read the

instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it, and mail it to the Claims Administrator by First-Class Mail, **postmarked or received no later than _____, 2015**. The Claims Administrator needs all of the information requested in the Proof of Claim in order to determine what you may be entitled to.

11. When will I get my payment?

The Court will hold a hearing on _____, 2015 at __:__.m., to decide whether to approve the Settlement. If the Court approves the Settlement, there may still be appeals which would delay payment, perhaps for more than a year. It also takes time for all the Proofs of Claim to be processed. Please be patient.

12. What am I giving up by staying in the Settlement Class?

Unless you exclude yourself, you will stay in the Settlement Class, which means that upon the “Effective Date”, you will forever give up and release all “Released Claims” (as defined below) against the “Released Defendant Parties” (as defined below). If you remain a member of the Settlement Class, all of the Court’s orders about the Settlement will apply to you and legally bind you.

“Released Claims” means any and all claims and causes of action of every nature and description, including both known claims and Unknown Claims (defined below), whether arising under federal, state, common, administrative or foreign law, whether class or individual in nature, that Plaintiffs or any other Settlement Class Member: (i) asserted in the Action; or (ii) could have asserted in the Action or any other action or in any forum, that arise out of, relate to, or are in connection with the claims, allegations, transactions, facts, events, acts, disclosures, statements, representations, or omissions or failures to act involved, set forth, or referred to in the complaints filed in the Action and that relate, directly or indirectly, to the purchase or acquisition

of Colonial Securities during the Class Period. For the avoidance of doubt, Released Claims do not include: (i) claims to enforce the Settlement; (ii) any claim by the Federal Deposit Insurance Corporation, whether as receiver for Colonial Bank or in its corporate capacity, or any claim by any governmental or regulatory agency asserted in any criminal, administrative or civil action; (iii) claims or interests of any Settlement Class Member, including Lead Plaintiffs, in the Bankruptcy Case solely in connection with their status as holders of Colonial Securities in the event there is a future distribution in the Bankruptcy Case; or (iv) claims in any related ERISA or derivative action.

“Released Defendants’ Claims” means all claims and causes of action of every nature and description, including both known claims and Unknown Claims (as defined below), whether arising under federal, state, common or foreign law, that Defendants and/or Tolerated Defendants could have asserted against any of the Released Plaintiff Parties that arise out of or relate in any way to the institution, prosecution, or settlement of the claims alleged in the Amended Complaint, except for claims relating to the enforcement of the Settlement.

“Released Defendant Parties” means Defendants, Tolerated Defendants, Defendants’ Counsel, and each of their respective past or present subsidiaries, parents, divisions, and affiliates; the respective present and former principals, successors and predecessors, assigns, officers, directors, shareholders, trustees, partners, agents, fiduciaries, contractors, employees, attorneys, auditors, insurers, members, advisors, and accountants of each of them; the predecessors, successors, estates, heirs, executors, trusts, trustees, administrators, agents, representatives, and assigns of each of them, in their capacity as such; any firm, trust, corporation, or entity in which any Defendant or Tolerated Defendant has a controlling interest; and

any of the legal representatives, heirs, successors in interest or assigns of Defendants or Tolled Defendants.

“Unknown Claims” means any and all Released Claims that Lead Plaintiffs or any other Settlement Class Member do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Parties, and any and all Released Defendants’ Claims that Defendants or Tolled Defendants do not know or suspect to exist in its favor at the time of the release of the Released Plaintiff Parties, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to object to the terms of the Settlement or to exclude himself, herself, or itself from the Settlement Class. With respect to any and all Released Claims and Released Defendants’ Claims, the Parties stipulate and agree that, upon the Effective Date, Lead Plaintiffs, Defendants, and Tolled Defendants shall expressly, and each other Settlement Class Member shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

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.

Lead Plaintiffs, other Settlement Class Members, Defendants, or Tolled Defendants may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants’ Claims, but Lead Plaintiffs, Defendants, and Tolled Defendants shall expressly, fully, finally, and forever settle and release, and each Settlement

Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Defendants' Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Lead Plaintiffs, Defendants, and Tolled Defendants acknowledge, and other Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was a material element of the Settlement.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you want to keep any right you may have to sue or continue to sue the Released Defendant Parties on your own about the Released Claims, then you must take steps to exclude yourself from the Settlement Class. Excluding yourself is known as "opting out" of the Settlement Class. Defendants and Tolled Defendants may withdraw from and terminate the Settlement if potential Settlement Class Members who purchased in excess of a certain amount of Colonial Securities opt out from the Settlement Class.

13. How do I "opt out" (exclude myself) from the proposed Settlement?

To "opt out" (exclude yourself) from the Settlement Class, you must mail a signed letter by first-class mail stating that you "request exclusion from the Settlement Class in *In re Colonial BancGroup, Inc. Securities Litigation*, 2:09-CV-00104-RDP-WC." Your letter must state the date(s), price(s) and number of shares/notes concerning of all your purchases and sales of Colonial Securities during the Class Period. In addition, you must include your name, address, telephone number, and your signature. You must mail your request for exclusion so that it is received **no later than _____, 2015**, to:

In re Colonial BancGroup, Inc. Securities Litigation
EXCLUSIONS
c/o Strategic Claims Services
[address]

You cannot exclude yourself by telephone or by email. Your exclusion request must comply with these requirements in order to be valid. If you are excluded, you will not be eligible to get any payment from the Settlement proceeds and you cannot object to the Settlement, the proposed Plan of Allocation, or the Fee and Expenses Application, because they will not impact you. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue (or continue to sue) Defendants, Tolerated Defendants, and the other Released Defendant Parties.

(The time to seek exclusion from the Colonial I Settlement has passed. A request for exclusion from the proposed Settlement will not exclude you from the Colonial I Settlement.)

14. If I do not exclude myself, can I sue Defendants and the other Released Defendant Parties for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue Defendants, Tolerated Defendants, and the other Released Defendant Parties for all Released Claims. If you have a pending lawsuit, speak to your lawyer in that case **immediately**. You must exclude yourself from *this* Settlement Class to continue your own lawsuit. Remember, the exclusion deadline is _____, 2015.

15. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, do not send in a Proof of Claim to ask for any money. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against Defendants, Tolerated Defendants, and the other Released Defendant Parties.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed the law firm of Labaton Sucharow to represent all Settlement Class Members. These lawyers are called Lead Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Lead Counsel's fees and expenses. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one to appear for you at your own expense.

17. How will the lawyers be paid?

Lead Counsel has not received any payment for its services in pursuing the claims against Defendants on behalf of the Settlement Class, nor has it been reimbursed for litigation expenses incurred after the Colonial I Settlement was approved in April 2012. At the Settlement Hearing described below, or at such other time as the Court may order, Lead Counsel will ask the Court to award it, from the Settlement Fund, attorneys' fees of no more than 25% of the Settlement Fund, which will include interest, and to pay it for its litigation expenses, such as the cost of experts, that have been incurred in pursuing the Action. The request for payment of expenses will not exceed \$500,000, plus interest on the expenses from the date of funding at the same rate as may be earned by the Settlement Fund. Lead Counsel's request for payment of litigation expenses may also include a request for an award to Lead Plaintiffs for reimbursement of their reasonable costs and expenses directly related to their representation of the Settlement Class, pursuant to the PSLRA.

OBJECTING TO THE SETTLEMENT

18. How do I tell the Court that I do not like something about the proposed Settlement?

If you are a Settlement Class Member and do not “opt out,” you can object to any part of the Settlement, the proposed Plan of Allocation, and/or the Fee and Expense Application. You must write to the Court setting out your objection, giving reasons why you think the Court should not approve any part or all of the Settlement, the Plan of Allocation, and/or the Fee and Expense Application.

To object, you must send a signed letter stating that you object to the proposed Settlement in the case known as “*In re Colonial BancGroup, Inc. Securities Litigation*, 2:09-CV-00104-RDP-WC.” You must include your name, address, telephone number and your signature; identify the date(s), price(s) and number of shares of all purchases, acquisitions, and sales of Colonial Securities during the Class Period; and state the reasons why you object. This information is needed to demonstrate your membership in the Settlement Class. Unless otherwise ordered by the Court, any Settlement Class Member who does not object in the manner described in this Notice will be deemed to have waived any objection and will not be able to make any objection to the Settlement, the proposed Plan of Allocation, and/or the Fee and Expense Application in the future.

Your objection must be filed with the Court and mailed or delivered to the following counsel so that it is **received on or before** _____, **2015** at the addresses set forth below:

COURT

CLERK OF THE COURT
U.S. District Court for the Middle District of
Alabama
P.O. Box 711
Montgomery, AL 36101-0711

LEAD COUNSEL

LABATON SUCHAROW LLP
James W. Johnson, Esq.
140 Broadway
New York, New York 10005

**COUNSEL FOR UNDERWRITER
DEFENDANTS AND TOLLED DEFENDANTS**

Maynard, Cooper & Gale, P.C.
Carl S. Burkhalter, Esq.
1901 Sixth Avenue North
2400 Regions Harbert Plaza
Birmingham, Alabama 35203

**COUNSEL FOR
PRICEWATERHOUSECOOPERS
LLP**

King & Spalding LLP
Drew D. Dropkin, Esq.
1180 Peachtree Street, NE
Atlanta, GA 30309

19. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court that you do not like something about the proposed Settlement. You can still recover from the Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S SETTLEMENT HEARING

20. When and where will the Court decide whether to approve the proposed Settlement and grant related relief?

The Court will hold a Settlement Hearing at _____.m. on _____, 2015, in the United States District Court for the Middle District of Alabama, Northern Division, United States Courthouse, Courtroom _____, One Church Street, Montgomery, AL 36104. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court also will consider the proposed Plan of Allocation for the proceeds of the Settlement and the Fee and Expense Application. The Court will take into consideration any written objections filed in accordance with the instructions set out above in the answer to Question 18. We do not know how long it will take the Court to make these decisions.

You should also be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Settlement Class Members. If you want to come to the hearing, you should check with Lead Counsel before coming to be sure that the date and/or time has not changed.

21. Do I have to come to the Settlement Hearing?

No. Lead Counsel will answer any questions the Court may have. But, you are welcome to come at your own expense. If you validly submit an objection, it will be considered by the Court. You do not have to come to Court to talk about it.

22. May I speak at the Settlement Hearing and submit additional evidence?

If you file an objection, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (*see* Question 18 above) a statement that it is your “notice of intention to appear in *In re Colonial BancGroup, Inc. Securities Litigation*, 2:09-CV-00104-RDP-WC.” Persons who object and want to present evidence at the Settlement Hearing must also include in their written objection the identity of any witness they may call to testify and exhibits they intend to introduce at the Settlement Hearing. You cannot speak at the Settlement Hearing if you excluded yourself from the Settlement Class or if you have not provided written notice of your intention to speak at the Settlement Hearing according to the procedures described above and in the answer to Question 18.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, and you did not submit a claim in connection with the prior Colonial I Settlement by February 28, 2014, you will get no money from this Settlement and you will not

be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants, Tolerated Defendants, and the Released Defendant Parties about the Released Claims. To share in the Net Settlement Fund you must submit a Proof of Claim (*see* Question 10) or have submitted one previously in connection with the Colonial I Settlement. To start, continue or be a part of any *other* lawsuit against Defendants and the other Released Defendant Parties about the Released Claims you must exclude yourself from this Settlement Class (*see* Question 13).

GETTING MORE INFORMATION

24. Are there more details about the proposed Settlement and the lawsuit?
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This Notice summarizes the proposed Settlement. More details are in the Stipulation. You may review the Stipulation filed with the Court and all documents filed in the Action during business hours at the Office of the Clerk of the United States District Court for the Middle District of Alabama, United States Courthouse, One Church Street, Montgomery, AL 36104.

You also can call the Claims Administrator toll free at 800-[_ _ _]; call Lead Counsel Labaton Sucharow at [888-219-6877]; write to *In re Colonial BancGroup, Inc. Securities Litigation*, 2:09-CV-00104-RDP-WC., c/o Strategic Claims Services, [_ _]; or visit the websites www.strategicclaims.net and www.labaton.com, where you can download copies of the Stipulation, this Notice, and the Proof of Claim.

Please Do Not Call the Court or Defendants With Questions About the Settlement.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG SETTLEMENT CLASS MEMBERS

GENERAL PROVISIONS

The Net Settlement Fund shall be distributed to Settlement Class Members who timely submit valid Proofs of Claim to the Claims Administrator that are accepted for payment by the Court (“Authorized Claimants”). The Net Settlement Fund will not be distributed to Authorized Claimants until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, of the order(s) approving the Settlement and the Plan of Allocation has expired. Defendants and Tolledd Defendants are not entitled to get back any portion of the Settlement Fund once the Effective Date of the Settlement has occurred.

The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiffs and Lead Counsel to the Court for approval. The Court may approve this plan as proposed or it may modify the plan without further notice to the Settlement Class. Any orders regarding a modification of the Plan of Allocation will be posted on the settlement website, www.strategicclaims.net.

Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiffs, Lead Counsel, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation, or further orders of the Court. Lead Plaintiffs, Defendants, Tolledd Defendants, their respective counsel, Lead Plaintiffs’ consulting damages expert, and all other Released Parties shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund consistent with the terms of the Stipulation, the Plan of Allocation, or the determination, administration, calculation, or payment of any Proof of Claim or nonperformance of the Claims

Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

A “Recognized Loss” will be calculated for each purchase of Colonial Securities during the Class Period that are listed in the Proof of Claim, and for which adequate documentation is provided. The calculation of Recognized Loss will depend upon several factors, including what type of securities were purchased, when the securities were purchased, and when they were sold.

The Recognized Loss formulas set forth below are not intended to be an estimate of the amount that a Settlement Class Member might have been damaged or able to recover after a trial, nor are they an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss formulas are the basis upon which the Net Settlement Fund will be proportionately allocated to Authorized Claimants. The objective of the Plan of Allocation is to equitably distribute the settlement proceeds to those Settlement Class Members who suffered economic losses as a result of the alleged misrepresentations and omissions of Defendants during the Class Period, as opposed to losses caused by market or industry factors or other Company-specific factors. The Plan of Allocation was created with the assistance of Lead Plaintiffs’ consulting damages expert, who reviewed publicly available information regarding Colonial and analyzed the price movements of Colonial Securities.

RECOGNIZED LOSS FORMULAS

(I) RECOGNIZED LOSS CALCULATION FOR COMMON STOCK PURCHASED (EXCLUDING COMMON STOCK PURCHASED IN THE APRIL 23, 2008 STOCK OFFERING) DURING THE CLASS PERIOD:

- 1. For shares of common stock purchased between April 18, 2007 and October 22, 2008, inclusive:**

- A. For shares retained at the end of trading on August 6, 2009, the Recognized Loss shall be the lesser of:
- (1) \$5.32 per share; or
 - (2) the difference between the purchase price per share and \$.11.²
- B. For shares sold between April 18, 2007 and October 22, 2008, inclusive, the Recognized Loss shall be zero.
- C. For shares sold between October 23, 2008 and January 27, 2009, inclusive, the Recognized Loss shall be the lesser of:
- (1) \$3.78 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
- D. For shares sold between January 28, 2009 and June 9, 2009, inclusive, the Recognized Loss shall be the lesser of:
- (1) \$4.66 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
- E. For shares sold between June 10, 2009 and August 2, 2009, inclusive, the Recognized Loss shall be the lesser of:
- (1) \$4.95 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
- F. For shares sold between August 3, 2009 and August 6, 2009, inclusive, the Recognized Loss shall be the lesser of:
- (1) \$5.08 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.

² Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." \$.11 was the mean (average) daily closing trading price of Colonial common stock during the 90-day period beginning on August 7, 2009 and ending on November 4, 2009.

- 2. For shares of common stock purchased between October 23, 2008 and January 27, 2009, inclusive:**
- A. For shares retained at the end of trading on August 6, 2009, the Recognized Loss shall be the lesser of:
- (1) \$1.54 per share; or
 - (2) the difference between the purchase price per share and \$.11.
- B. For shares sold between October 23, 2008 and January 27, 2009, inclusive, the Recognized Loss shall be zero.
- C. For shares sold between January 28, 2009 and June 9, 2009, inclusive, the Recognized Loss shall be the lesser of:
- (1) \$.88 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
- D. For shares sold between June 10, 2009 and August 2, 2009, inclusive, the Recognized Loss shall be the lesser of:
- (1) \$1.17 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
- E. For shares sold between August 3, 2009 and August 6, 2009, inclusive, the Recognized Loss shall be the lesser of:
- (1) \$1.30 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
- 3. For shares of common stock purchased between January 28, 2009 and June 9, 2009, inclusive:**
- A. For shares retained at the end of trading on August 6, 2009, the Recognized Loss shall be the lesser of:
- (1) \$.66 per share; or
 - (2) the difference between the purchase price per share and \$.11.
- B. For shares sold between January 28, 2009 and June 9, 2009, inclusive, the Recognized Loss shall be zero.

- C. For shares sold between June 10, 2009 and August 2, 2009, inclusive, the Recognized Loss shall be the lesser of:
 - (1) \$.29 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.

- D. For shares sold between August 3, 2009 and August 6, 2009, inclusive, the Recognized Loss shall be the lesser of:
 - (1) \$.42 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.

- 4. For shares of common stock purchased between June 10, 2009 and August 2, 2009, inclusive:**
 - A. For shares retained at the end of trading on August 6, 2009, the Recognized Loss shall be the lesser of:
 - (1) \$.37 per share; or
 - (2) the difference between the purchase price per share and \$.11.

 - B. For shares sold between June 10, 2009 and August 2, 2009, inclusive, the Recognized Loss shall be zero.

 - C. For shares sold between August 3, 2009 and August 6, 2009, inclusive, the Recognized Loss shall be the lesser of:
 - (1) \$.13 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.

- 5. For shares of common stock purchased between August 3, 2009 and August 6, 2009, inclusive:**
 - A. For shares retained at the end of trading on August 6, 2009, the Recognized Loss shall be the lesser of:
 - (1) \$.24 per share; or
 - (2) the difference between the purchase price per share and \$.11.

- B. For shares sold between August 3, 2009 and August 6, 2009, inclusive, the Recognized Loss shall be zero.

Given the Court's dismissal of the Exchange Act claims, the total recovery payable to Authorized Claimants arising from common stock purchased (excluding common stock purchased in the April 23, 2008 Stock Offering) during the Class Period shall not exceed fifty percent (50%) of the Net Settlement Fund.

(II) RECOGNIZED LOSS CALCULATION FOR COMMON STOCK PURCHASED IN THE APRIL 23, 2008 STOCK OFFERING:

- A. For shares retained at the end of trading on August 6, 2009, the Recognized Loss shall be \$7.33³ per share;
- B. For shares sold prior to June 23, 2009, the Recognized Loss shall be the lesser of:
- (1) \$7.33 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.
- C. For shares sold between June 23, 2009 and August 6, 2009, inclusive, the Recognized Loss shall be the lesser of:
- (1) \$7.33 per share; or
 - (2) the difference between the purchase price per share and the sales price per share for each share sold.

(III) RECOGNIZED LOSS CALCULATION FOR COLONIAL'S 8.875% SUBORDINATED NOTES DUE 2038 ISSUED IN THE MARCH 3, 2008 NOTE OFFERING⁴ AND PURCHASED DURING THE CLASS PERIOD:

- A. For Subordinated Notes retained at the end of trading on August 6, 2009, the Recognized Loss shall be the lesser of:
- (1) \$18.40⁵ per note;

³ \$7.33 represents the difference between the \$8.00 offering price on April 23, 2008 and the closing price of Colonial's common stock on June 23, 2009 of \$.67 per share, one full trading day after the Consolidated Complaint alleging claims based on the April 23, 2008 Stock Offering was filed.

⁴ In the Note Offering, \$250 million of Subordinated Notes were issued in denominations of \$25 per note.

⁵ \$18.40 represents the difference between the \$25.00 Note Offering price on March 3, 2008 and the closing price of the notes on June 23, 2009 of \$6.60 per note, one full trading day after the Consolidated Complaint alleging claims based on the Note Offering was filed.

- (2) Purchase price per note less the August 7, 2009 “settle-out” price (or assumed sale price) of \$3.45⁶ per note.

B. For notes sold on or before August 6, 2009, the Recognized Loss shall be the lesser of:

- (1) \$18.40 per note;
- (2) Purchase price per note (not to exceed the offering price of \$25 per note) less sales price per note.

(IV) RECOGNIZED LOSS CALCULATION FOR PUBLICLY TRADED OPTION CONTRACTS⁷ DURING THE CLASS PERIOD:

A. For common stock call options

- (i) The Recognized Loss for each call option contract on Colonial common stock purchased or otherwise acquired during the Class Period shall be twenty-five percent (25%)⁸ of the lesser of (x) the common stock inflation per share⁹ for all shares covered by the call option contract on the date the call option was purchased, less, if sold, the common stock inflation per share for all shares covered by the call option contract on the date the call option was sold, or (y) the difference between: (a) the amount paid per call option contract and: (b) the sale price received per option contract when said call options were subsequently sold (if the option expired worthless, the sales price shall be deemed to be Zero (\$0.00));
- (ii) Shares of Colonial common stock acquired during the Class Period through the exercise of a call option shall be treated as a purchase on the date of exercise for the exercise price plus the cost of the call option, and any Recognized Loss arising from such transaction shall be computed as provided for other purchases of Colonial common stock as set forth above;

⁶ This represents the August 7, 2009 closing price of Colonial 8.875% Subordinated Notes due 2038 of \$3.45 per note.

⁷ Unexercised stock options granted to Colonial employees in connection with their employment are not eligible for a recovery in the Settlement.

⁸ Losses from transactions in options are discounted (i) because the purchase of a call option includes a time premium which is a wasting asset for which the purchaser pays that will evaporate even if the stock price remains the same, and (ii) because the expected additional volatility of such derivative securities makes it more difficult to prove that losses on such securities are causally related to the alleged wrongdoing, as opposed to non-actionable causes.

⁹ Common stock inflation per share for purposes of the Plan of Allocation is estimated as follows:

April 18, 2007 – October 22, 2008:	\$5.32 per share
October 23, 2008 – January 27, 2009:	\$1.54 per share
January 28, 2009 - June 9, 2009:	\$.66 per share
June 10, 2009 – August 2, 2009:	\$.37 per share
August 3, 2009 – August 6, 2009:	\$.24 per share

- (iii) No Recognized Loss shall be calculated based upon the sale or writing of any call option that was subsequently repurchased.

B. For common stock put options

- (i) The Recognized Loss for each put option contract on Colonial common stock sold or written during the Class Period, shall be twenty-five percent (25%) of the lesser of (x) the common stock inflation per share for all shares covered by the put option contract on the date the claimant sold or wrote the put contract, less, if subsequently repurchased, the common stock inflation per share for all shares covered by the put option contract on the date the put option was repurchased, or (y) difference between: (a) the amount received per put option contract and (b) the purchase price paid per put option contract when said put options were subsequently repurchased at any time (including after the Class Period). For put options sold or written during the Class Period that expired worthless and unexercised, the Recognized Loss shall be Zero (\$0.00);
- (ii) For Colonial put options that were sold or written during the Class Period, that were “put” to the Authorized Claimant (i.e. exercised) at any time, the Recognized Loss shall be calculated as a purchase of Colonial common stock as shown above, and as if the sale of the put option were instead a purchase of Colonial common stock on the date of the sale or writing of the put option, and the “purchase price paid” shall be the strike price of the put option less the proceeds received from the sale of the put option;
- (iii) No Recognized Loss shall be calculated based upon the sale of any put option that was previously purchased.

The total recovery payable to Authorized Claimants arising from transactions in publicly traded call or put options shall not exceed five percent (5%) of the Net Settlement Fund.

ADDITIONAL PROVISIONS

If a Settlement Class Member has more than one purchase or sale of Colonial Securities during the Class Period, all purchases and sales shall be matched on a First In, First Out (“FIFO”) basis. Class Period sales will be matched first against any Colonial Securities held at the beginning of the Class Period, and then against purchases in chronological order, beginning with the earliest purchase made during the Class Period. Class Period Sales matched to Colonial

Securities held at the beginning of the Class Period shall be excluded from the calculation of Recognized Losses.

Purchases and sales of Colonial Securities shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of Colonial Securities during the Class Period shall not be deemed a purchase or sale of these securities for the calculation of an Authorized Claimant’s Recognized Loss Amount for these securities nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such securities unless: (i) the donor or decedent purchased or otherwise acquired such Colonial Securities during the Class Period; (ii) no Proof of Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such securities; and (iii) the assignment is specifically provided for in the instrument of gift or assignment.

The date of covering a “short sale” is deemed to be the date of purchase of Colonial common stock. The date of a “short sale” is deemed to be the date of sale of Colonial common stock. The Recognized Loss for “short sales” is zero. In the event that there is an opening short position in Colonial common stock, the earliest Class Period purchases shall be matched against such opening short position, and not be matched against sales, until that short position is fully covered.

To the extent a Claimant had a market gain from his, her, or its overall transactions in Colonial Securities during the Class Period, the value of the claim will be zero. Such Claimants will, in any event, be bound by the Settlement. To the extent that a Claimant suffered an overall market loss on his, her, or its overall transactions in Colonial Securities during the Class Period,

but that market loss was less than the total Recognized Loss calculated above, then the Claimant's Recognized Loss shall be limited to the amount of the actual market loss.

No distribution to Authorized Claimants who would receive less than \$10.00 will be made, given the administrative expenses of processing and mailing such checks.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement and authorized a distribution. If there is any balance remaining in the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise) after at least six (6) months from the date of distribution or redistribution of the Net Settlement Fund, Lead Counsel shall, if feasible and economical, reallocate such balance in an equitable and economic fashion among Authorized Claimants who have cashed their checks. Any balance that still remains in the Net Settlement Fund that is not feasible or economical to reallocate, after payment of Notice and Administration Expenses, Taxes, and any additional Court-approved attorneys' fees and expenses, shall be contributed to non-sectarian, not-for-profit charitable organization(s) serving the public interest, designated by Lead Plaintiffs and approved by the Court.

Each claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Proof of Claim.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased Colonial Securities during the Class Period for the beneficial interest of a person or organization other than yourself, but you **DID NOT** previously provide such name and address information to the Claims Administrator or request copies of the Notice and Proof of Claim form (the "Notice Packet") in connection with the Colonial I Settlement, the Court has directed that, **WITHIN SEVEN (7) CALENDAR DAYS OF YOUR RECEIPT OF THIS**

NOTICE, you either: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased Colonial's publicly traded securities during the Class Period (preferably in an MS Excel data table, setting forth (i) title/registration, (ii) street address, (iii) city/state/zip; or electronically in MS Word or WordPerfect files; or on computer-generated mailing labels) or; (b) request additional copies of the Notice Packet, which will be provided to you free of charge, and within seven (7) calendar days of receipt of such copies send them by first-class mail directly to the beneficial owners of those Colonial securities.

If you **DID** provide name and address information in connection with the Colonial I Settlement, that information will be used by the Claims Administrator. If you previously requested copies of the Notice Packet, you will be sent the same number of Notice Packets in this Settlement and you are required, within seven (7) calendar days of receipt of such copies, to send them by first-class mail directly to the beneficial owners of those Colonial securities. If you responded in connection with the Colonial I Settlement, you do not need to provide additional information unless you have identified additional beneficial owners.

If you choose or chose to follow alternative procedure (b) described above, the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You must also retain the relevant name and address records for future use in the Settlement.

You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will

be paid after request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

In re Colonial BancGroup, Inc. Securities Litigation
c/o Strategic Claims Services
[address]
[Phone]

Dated: _____, 2015

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF ALABAMA

Exhibit A-2

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE
MIDDLE DISTRICT OF ALABAMA, NORTHERN DIVISION

In re)
COLONIAL BANCGROUP, INC.) Civil Action No.
SECURITIES LITIGATION) 2:09-CV-00104-RDP-WC
)
) **PROOF OF CLAIM**
) **AND RELEASE FORM**
)
)
)

THIS PROOF OF CLAIM IS ONLY TO BE USED BY CLAIMANTS WHO DID NOT SUBMIT A CLAIM BY FEBRUARY 28, 2014 IN CONNECTION WITH THE PRIOR COLONIAL I SETTLEMENT. IF YOU DID SUBMIT A CLAIM IN CONNECTION WITH THE COLONIAL I SETTLEMENT, PLEASE DO NOT DO SO AGAIN. YOU CAN CALL THE CLAIMS ADMINISTRATOR IF YOU ARE UNSURE.

If you did not submit a claim in connection with the prior Colonial I Settlement by February 28, 2014, you must complete and, on page ___ below, sign this Proof of Claim and Release form (“Proof of Claim”) in order to have an opportunity to recover from the Net Settlement Fund created in connection with the settlement with the remaining defendants in the Action - the Underwriter Defendants and PricewaterhouseCoopers LLP.

YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM POSTMARKED OR RECEIVED NO LATER THAN _____, 2015, ADDRESSED AS FOLLOWS:

In re Colonial BancGroup, Inc. Securities Litigation
Claims Administrator
c/o Strategic Claims Services
[Address]

Failure to submit your claim by _____, 2015 will subject your claim to rejection and preclude you from receiving any money in connection with the settlement of this Action.

Do not mail or deliver your proof of claim to the Court, the Parties or their counsel. Any such claim will be deemed not to have been submitted. Submit your claim only to the Claims Administrator.

PART I – CLAIMANT INFORMATION

Claimant Name (the name as you would like it to appear on the check, if you are eligible)

Claimant Name line 2 (if applicable, will also be included on the check if eligible)

Contact Person (if claimant is not an individual)

Account Number (not required)

Address Line 1

Address Line 2 (if applicable)

City

State

Zip Code

Foreign Province

Country

Foreign Zip Code

Telephone Number (Day)

Telephone Number (Night)

Beneficial Owner's Employer Identification Number or Social Security Number¹

Email Address (*email address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.*)

¹ The taxpayer identification number (TIN), consisting of a valid Social Security number (SSN) for individuals or employer identification number (EIN) for business entities, trusts, estates, etc., and telephone number of the beneficial owner(s) may be used in verifying this claim.

Did you previously submit a claim in the Colonial I Settlement? Yes [] No []

IDENTITY OF CLAIMANT (check only one box):

- Individual
 - Corporation
 - Private Pension Fund
 - Legal Representative
 - Other (specify, describe on separate sheet)
 - Joint Owners
 - Trust
 - IRA, Keogh, or other type of individual retirement plan (indicate type of plan, mailing address, and name of current custodian)
 - Estate
 - Partnership
-
-
-

PART II - GENERAL INSTRUCTIONS

1. It is important that you completely read the Notice of Proposed Settlement With Remaining Defendants and Motion for Attorneys' Fees and Expenses (the "Notice") that accompanies this Proof of Claim and Release ("Proof of Claim"), and the Plan of Allocation included in the Notice. The Notice contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Proof of Claim. By signing and submitting this Proof of Claim, you will be certifying that you have read the Notice, including the terms of the releases described therein and provided for herein.

2. This Proof of Claim is directed to any person or entity that purchased or acquired, during the period between April 18, 2007 and August 6, 2009, inclusive (the "Class Period"): (i) the common stock of the Colonial BancGroup, Inc. ("Colonial"); (ii) Colonial's common stock traceable to the Company's April 23, 2008 stock offering pursuant to the Registration Statement and Prospectus filed with the Securities and Exchange Commission (the "Stock Offering"); and (iii) the \$250 million worth of Subordinated Notes due in 2038, paying 8.875% interest on a quarterly basis ("Subordinated Notes"), pursuant or traceable to Colonial's Form S-3/A Shelf Registration Statement and Prospectus dated November 12, 2004 and Form 424 (b)(2) Prospectus Supplement dated February 28, 2008 (the "Note Offering," and together with Colonial's common stock, and the Stock Offering, "Colonial Securities"), and were allegedly damaged thereby (the "Settlement Class").

3. IF YOU ARE NOT A SETTLEMENT CLASS MEMBER, OR IF YOU, OR SOMEONE ACTING ON YOUR BEHALF, FILED A REQUEST FOR EXCLUSION FROM THE SETTLEMENT CLASS, DO NOT SUBMIT A PROOF OF CLAIM. YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENT IF YOU ARE NOT A SETTLEMENT CLASS MEMBER. THUS, IF YOU FILE A VALID REQUEST FOR EXCLUSION IN A TIMELY MANNER, ANY PROOF OF CLAIM THAT YOU SUBMIT, OR THAT MAY BE SUBMITTED ON YOUR BEHALF, WILL NOT BE ACCEPTED.

4. **Submission of this Proof of Claim does not guarantee that you will share in the Net Settlement Fund.** The distribution of the Net Settlement Fund will be governed by the Plan of Allocation set forth in the Notice, if approved by the Court, or such other plan of allocation as the Court approves.

5. Use Parts III-V of this Proof of Claim to supply all required details of your transaction(s) in Colonial Securities during the Class Period. Provide all the requested information with respect to all purchases and sales of Colonial Securities during the Class Period.

6. You are required to submit genuine and sufficient documentation for all your transactions in and holdings of Colonial Securities during the Class Period as set forth in the Schedule of Transactions in Parts III-V. Documentation may consist of copies of brokerage confirmations or monthly statements. IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT CONTEMPORANEOUS DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION MAY RESULT IN REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS. Please keep a copy of all documents that you send to the Claims Administrator.

7. Separate Proofs of Claim should be submitted for each legal entity that has a claim. For example, if one joint owner also has an individual claim, two Proofs of Claim should be submitted. However,

each Proof of Claim should include all transactions made by that entity, even if the transactions were in different accounts.

8. Agents, executors, administrators, guardians, and trustees must complete and sign the Proof of Claim on behalf of persons represented by them, and they must:

(a) expressly state the capacity in which they are acting;

(b) identify the name, account number, Social Security number (or taxpayer identification number), address and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the Colonial Securities during the Class Period; and

(c) furnish herewith evidence of their authority to bind the person or entity on whose behalf they are acting. (Authority to complete and sign a Proof of Claim cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade stock in another person's accounts.)

9. **NOTICE REGARDING ELECTRONIC FILES:** To obtain the mandatory electronic filing requirements and file layout, visit the website at www._____ or email the Claims Administrator at info@strategicclaims.net.

10. If you have questions concerning the Proof of Claim, or need additional copies of the Proof of Claim or the Notice, you may contact the Claims Administrator, Strategic Claims Services, at the above address or by toll-free phone at 1-___-___-___ or you may download the documents from www._____.

PART III – SCHEDULE OF TRANSACTIONS IN COLONIAL COMMON STOCK

A. BEGINNING HOLDINGS OF COLONIAL COMMON STOCK:

State the total number of shares of Colonial common stock held as of the close of trading on April 17, 2007. _____ **IF NONE, CHECK HERE**

B. PURCHASES OF COLONIAL COMMON STOCK

Separately list each and every transaction in Colonial common stock: (i) purchased during the period between April 18, 2007 and August 6, 2009, inclusive, or (ii) purchased pursuant and traceable to the Company’s April 23, 2008 stock offering pursuant to the Registration Statement and Prospectus filed with the SEC. **IF NONE, CHECK HERE**

Date(s) of Purchase(s) (List Chronologically) <u>Month/Day/Year</u>	Number of Shares Purchased	Purchase Price Per Share (excluding commissions, taxes & fees)	Pursuant or Traceable to the Stock Offering? <input type="radio"/> Y <input type="radio"/> N
____/____/____	_____	\$ _____	
____/____/____	_____	\$ _____	<input type="radio"/> Y <input type="radio"/> N
____/____/____	_____	\$ _____	<input type="radio"/> Y <input type="radio"/> N
____/____/____	_____	\$ _____	<input type="radio"/> Y <input type="radio"/> N

C. SALES OF COLONIAL COMMON STOCK:

Separately list each and every sale of Colonial common stock during the period between April 18, 2007 and August 6, 2009, inclusive. **IF NONE, CHECK HERE**

Date(s) of Sale(s) (List Chronologically) <u>Month/Day/Year</u>	Number of Shares Sold	Sale price per share (excluding commissions, taxes & fees)	Pursuant or Traceable to the Stock Offering? <input type="radio"/> Y <input type="radio"/> N
____/____/____	_____	\$ _____	<input type="radio"/> Y <input type="radio"/> N
____/____/____	_____	\$ _____	<input type="radio"/> Y <input type="radio"/> N
____/____/____	_____	\$ _____	<input type="radio"/> Y <input type="radio"/> N
____/____/____	_____	\$ _____	<input type="radio"/> Y <input type="radio"/> N

D. ENDING HOLDINGS OF COMMON STOCK

State the total number of shares of Colonial common stock held as of the close of trading on August 6, 2009. _____

IF NONE, CHECK HERE

PART IV -- SCHEDULE OF TRANSACTIONS IN COLONIAL SUBORDINATED NOTES

A. PURCHASES OF COLONIAL SUBORDINATED NOTES:

Separately list each and every Colonial Subordinated Note purchased during the period between April 18, 2007 and August 6, 2009, inclusive, that is due in 2038, paying 8.875% interest on a quarterly basis, and pursuant or traceable to Colonial's Form S-3/A Shelf Registration Statement and Prospectus dated November 12, 2004 and Form 424 (b)(2) Prospectus Supplement dated February 28, 2008.

IF NONE, CHECK HERE

Coupon Rate/Maturity	Trade Date Month/ Day/ Year	Principal Amount	CUSIP	Purchase Price per \$1000 of Principal Amount*	Aggregate Cost*

B. SALES OF COLONIAL SUBORDINATED NOTES

Separately list each and every Colonial Subordinated Note sold during the period between April 18, 2007 and August 6, 2009, inclusive.

IF NONE, CHECK HERE

* Excluding taxes, fees, and commissions.

Coupon Rate/Maturity	Trade Date Month/ Day/ Year	Principal Amount	CUSIP	Sale Price per \$1000 of Principal Amount*	Aggregate Received*

PART V -- SCHEDULE OF TRANSACTIONS IN COLONIAL OPTIONS

A. BEGINNING POSITION OF CALL OPTIONS

At the beginning of trading on April 18, 2007, the following call options on Colonial common stock were owned:

Date of Purchase (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2009/\$40)	Purchase Price Per Contract	Amount Paid*	Exercised "E" or Expired "X" (leave blank if neither)	Exercise Date (Month/Day/Year)

B. PURCHASES OF CALL OPTIONS

Purchases, including by way of exchange, conversion or otherwise (between April 18, 2007 and August 6, 2009, inclusive) of call options on Colonial common stock:

Date of Purchase (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2009/\$40)	Purchase Price Per Contract	Amount Paid*	Exercised "E" or Expired "X" (leave blank if neither)	Exercise Date (Month/Day/Year)

* Excluding taxes, fees, and commissions.

C. SALES OF CALL OPTIONS

Sales of the above call options on Colonial common stock which call options were purchased before August 7, 2009 (include all such sales no matter when they occurred):

Date of Sale (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2009/\$40)	Sale Price Per Contract	Amount Received*

D. BEGINNING WRITTEN POSITION OF PUT OPTIONS

At the beginning of trading on April 18, 2007 the following put options written on Colonial common stock were open:

Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2009/\$40)	Sale Price Per Contract	Amount Received*	Assigned "A" or Expired "E" (leave blank if neither)	Assign Date (Month/Day/Year)

E. SALES (WRITING) OF PUT OPTIONS

Written (sold) put options on Colonial common stock (between April 18, 2007 and August 6, 2009, inclusive.) as follows:

Date of Writing (Sale) (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2009/\$40)	Sale Price Per Contract	Amount Received*	Assigned "A" or Expired "E" (leave blank if neither)	Assign Date (Month/Day/Year)

* Excluding taxes, fees, and commissions.

F. COVERING TRANSACTIONS (REPURCHASES) OF PUT OPTIONS

Repurchases of the above put options on Colonial common stock that were written (sold) before August 7, 2009, (include all repurchases no matter when they occurred):

Date of Purchase (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2009/\$40)	Price Paid Per Contract	Aggregate Cost*

* Excluding taxes, fees, and commissions.

(IF YOU REQUIRE ADDITIONAL SPACE, ATTACH EXTRA SCHEDULES IN THE SAME FORMAT AS ABOVE. PRINT THE BENEFICIAL OWNER'S FULL NAME AND TAXPAYER IDENTIFICATION NUMBER ON EACH ADDITIONAL PAGE.)

PART VI - CERTIFICATION

YOU MUST SIGN ON PAGE ____ OF THIS PROOF OF CLAIM

By signing and submitting this Proof of Claim, the claimant(s) or the person(s) who represents the claimant(s) certifies, as follows:

1. that I (we) have read the Notice, the Plan of Allocation and the Proof of Claim, including the releases provided for in the Settlement;
2. that the claimant(s) is (are) Settlement Class Member(s), as defined in the Notice, and is (are) not excluded from the Settlement Class;
3. that the claimant(s) has (have) not submitted a request for exclusion from the Settlement Class;
4. that the claimant(s) owns(ed) the Colonial Securities identified in the Proof of Claim during the Class Period and has (have) not assigned the claim against the Released Defendant Parties to another, or that, in signing and submitting this Proof of Claim, the claimant(s) has (have) the authority to act on behalf of the owner(s) thereof;
5. that the claimant(s) has (have) not submitted any other claim covering the same purchases, sales, or holdings of Colonial Securities during the Class Period and knows of no other person having done so on his/her/its/their behalf;
6. that the claimant(s) submits (submit) to the jurisdiction of the Court with respect to his/her/its/their claim and for purposes of enforcing the releases set forth herein;
7. that I (we) agree to furnish such additional information with respect to this Proof of Claim as the Claims Administrator or the Court may require;

8. that the claimant(s) waives (waive) the right to trial by jury, to the extent it exists, and agrees (agree) to the Court's summary disposition of the determination of the validity or amount of the claim made by this Proof of Claim; and
9. that I (we) acknowledge that the claimant(s) will be bound by and subject to the terms of any judgment that may be entered in the Litigation;

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED BY ME (US) ON THIS FORM IS TRUE, CORRECT, AND COMPLETE, AND THAT THE DOCUMENTS SUBMITTED HERewith ARE TRUE AND CORRECT COPIES OF WHAT THEY PURPORT TO BE.

Signature of Claimant

Print Name of Claimant

Date

Signature of Joint Claimant, if any

Print Name of Joint Claimant

Date

THIS PROOF OF CLAIM MUST BE MAILED TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, POSTAGE PREPAID, **POSTMARKED OR RECEIVED BY _____, 2015** ADDRESSED AS FOLLOWS:

In re Colonial BancGroup, Inc. Securities Litigation Claims Administrator
c/o Strategic Claims Services
[ADDRESS]

You should be aware that it will take a significant amount of time to fully process all of the Proof of Claims. Please notify the Claims Administrator of any change of address.

REMINDER CHECKLIST

1. Please sign the above certification. If this Proof of Claim is being made on behalf of joint claimants, then both must sign.
2. Remember to attach only **copies** of supporting documentation. Do not send original stock certificates or documentation. These items cannot be returned to you by the Claims Administrator.
3. Please do not highlight any portion of the Proof of Claim or any supporting documents.
4. Keep copies of the completed Proof of Claim and documentation for your own records.
5. If you desire an acknowledgment of receipt of your Proof of Claim, please send it to the Claims Administrator Certified Mail, Return Receipt Requested.
6. If your address changes in the future, or if this Proof of Claim was sent to an old or incorrect address, please send the Claims Administrator written notification of your new address. If you change your name, please inform the Claims Administrator.
7. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at the above address or at 1- ___ - ___ - ____, or visit www.strategicclaims.net.

Exhibit A-3

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE
MIDDLE DISTRICT OF ALABAMA, NORTHERN DIVISION

In re
COLONIAL BANCGROUP, INC.
SECURITIES LITIGATION

)
) Civil Action No.
) 2:09-CV-00104-RDP-WC
)
) **SUMMARY NOTICE OF**
) **PROPOSED SETTLEMENT**
)
)
)

TO: ALL PERSONS OR ENTITIES WHO PURCHASED OR ACQUIRED DURING THE PERIOD BETWEEN APRIL 18, 2007 AND AUGUST 6, 2009, INCLUSIVE (THE "CLASS PERIOD"): (I) THE COMMON STOCK OF THE COLONIAL BANCGROUP, INC. ("COLONIAL" OR THE "COMPANY"); (II) COLONIAL'S COMMON STOCK TRACEABLE TO THE COMPANY'S APRIL 23, 2008 STOCK OFFERING PURSUANT TO THE REGISTRATION STATEMENT AND PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "STOCK OFFERING"); OR (III) THE \$250 MILLION WORTH OF SUBORDINATED NOTES DUE IN 2038, PAYING 8.875% INTEREST ON A QUARTERLY BASIS, PURSUANT OR TRACEABLE TO COLONIAL'S FORM S-3/A SHELF REGISTRATION STATEMENT AND PROSPECTUS DATED NOVEMBER 12, 2004 AND FORM 424 (B)(2) PROSPECTUS SUPPLEMENT DATED FEBRUARY 28, 2008 (THE "NOTE OFFERING"), AND WHO WERE ALLEGEDLY DAMAGED THEREBY (THE "SETTLEMENT CLASS")

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the Court, that the above-captioned litigation (the "Action") has been preliminarily certified as a class action for the purposes of settlement only and that a settlement with the Underwriter Defendants and PricewaterhouseCoopers LLP (collectively, "Defendants") and the Tolloed Defendants in the amount of \$7,900,000 in cash, has been proposed by the Parties.

A hearing will be held before the Honorable R. David Proctor of the United States District Court for the Northern District of Alabama (sitting by designation) in the Frank M. Johnson United States Courthouse, One Church Street, Montgomery, AL 36104 at __:___ .m., on _____, 2015 to, among other things: determine whether the proposed Settlement should

be approved by the Court as fair, reasonable, and adequate; determine whether the proposed Plan of Allocation for distribution of the Settlement proceeds should be approved as fair and reasonable; and consider the application of Lead Counsel for an award of attorneys' fees and payment of litigation expenses. The Court may change the date of the hearing without providing another notice.

IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS, YOUR RIGHTS WILL BE AFFECTED BY THE PENDING LITIGATION AND THE PROPOSED SETTLEMENT AND YOU MAY BE ENTITLED TO SHARE IN THE NET SETTLEMENT FUND. If you have not yet received the full printed Notice of Proposed Settlement with Remaining Defendants and Motion for Attorneys' Fees and Expenses ("Notice") and a Proof of Claim and Release Form ("Proof of Claim"), you may obtain copies of these documents by contacting the Claims Administrator:

In re Colonial BancGroup, Inc. Securities Litigation
Claims Administrator
c/o Strategic Claims Solutions
[_____]_____
[_____]_____
800-[_____]_____
www.[_____]_____.com

Inquiries, other than requests for information about the status of a claim, may also be made to Lead Counsel.

LABATON SUCHAROW LLP
James W. Johnson. Esq.
140 Broadway
New York, New York 10005
888-219-6877
settlementquestions@labaton.com
www.labaton.com

If you are a Settlement Class Member, to be eligible to share in the distribution of the Settlement proceeds and participate in the proposed Settlement, you must **either** (1) have *already* submitted a claim in connection with the prior partial settlement in the Action (the “Colonial I Settlement”) by February 28, 2014; **or** (2) if you **did not** previously submit a claim in connection with the Colonial I Settlement by February 28, 2014, submit a Proof of Claim in this proposed Settlement **postmarked or received** no later than _____, 2015. To exclude yourself from the Settlement Class, you must submit a written request for exclusion in accordance with the instructions set forth in the Notice so that it is **received no later than _____, 2015**. If you are a Settlement Class Member and do not exclude yourself from the Settlement Class, you will be bound by the Final Order and Judgment as to Remaining Defendants entered by the Court. Any objections to the proposed Settlement, Plan of Allocation, and/or application for attorneys’ fees and payment of expenses must be filed with the Court and served on counsel for the Parties in accordance with the instructions set forth in the Notice, such that they are **received no later than _____, 2015**. If you are a Settlement Class Member and do not timely submit a valid Proof of Claim, you will not be eligible to share in the Net Settlement Fund, but you nevertheless will be bound by the Final Order and Judgment of the Court.

DATED: _____

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF ALABAMA

Exhibit B

**IN THE DISTRICT COURT OF THE UNITED STATES FOR THE
MIDDLE DISTRICT OF ALABAMA, NORTHERN DIVISION**

In re
COLONIAL BANCGROUP, INC.
SECURITIES LITIGATION

)
) Civil Action No.
) 2:09-CV-00104-RDP-WC
)
) **[PROPOSED] FINAL ORDER AND**
) **JUDGMENT AS TO REMAINING**
) **DEFENDANTS**
)

WHEREAS:

A. As of _____, 2015, Arkansas Teacher Retirement System, State-Boston Retirement System, Norfolk County Retirement System, and City of Brockton Retirement System (collectively, “Lead Plaintiffs”), on behalf of themselves, Plaintiff The Horace F. Moyer and Joan M. Moyer Living Trust, Plaintiff City of Worcester Retirement System, and the Settlement Class, and the Underwriter Defendants, PricewaterhouseCoopers LLP, and the Tolled Defendants entered into a Stipulation and Agreement of Settlement with Remaining Defendants (the “Stipulation”) in the above-titled litigation (the “Action”).

B. Pursuant to the Order Granting Preliminary Approval of Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement entered _____, 2015 (the “Preliminary Approval Order”), the court scheduled a hearing for _____, 2015, at __:___ (the “Settlement Hearing”) to, among other things: (i) determine whether the proposed Settlement of the Action on the terms and conditions provided for in the Stipulation is fair, reasonable and adequate, and should be approved by the court; and (ii) determine whether a judgment as provided for in the Stipulation should be entered.

C. The court ordered that the Notice of Proposed Settlement with Remaining Defendants and Motion for Attorneys’ Fees and Expenses (the “Notice”) and a Proof of Claim

and Release form (“Proof of Claim”), substantially in the forms attached to the Preliminary Approval Order as Exhibits 1 and 2, respectively, be mailed by first-class mail, postage prepaid, on or before ten (10) business days after the date of entry of the Preliminary Approval Order (“Notice Date”) to all potential Settlement Class Members who could be identified through reasonable effort, and that a Summary Notice of Proposed Settlement with Remaining Defendants and Motion for Attorneys’ Fees and Expenses (the “Summary Notice”), substantially in the form attached to the Preliminary Approval Order as Exhibit 3, be published in *Investor’s Business Daily* and transmitted over *PR Newswire* within fourteen (14) calendar days of the Notice Date.

D. The Notice and the Summary Notice advised Settlement Class Members of the date, time, place and purpose of the Settlement Hearing. The Notice further advised that any objections to the Settlement were required to be filed with the court and served on counsel for the Parties such that they would be received no later than _____, 2015.

E. The provisions of the Preliminary Approval Order as to notice were complied with.

F. On _____, 2015, Lead Plaintiffs moved for final approval of the Settlement, as set forth in the Preliminary Approval Order. The Settlement Hearing was duly held before this court on _____, 2015, at which time all interested Persons were afforded the opportunity to be heard.

G. This court has duly considered Lead Plaintiffs’ motion, the affidavits, declarations and memorandum of law submitted in support thereof, and all of the submissions and arguments presented with respect to the proposed Settlement.

NOW, THEREFORE, after due deliberation, IT IS ORDERED, ADJUDGED AND DECREED that:

1. This Judgment incorporates by reference the definitions in the Stipulation, and all capitalized terms used in this Judgment that are not otherwise defined herein shall have the same meanings as set forth in the Stipulation.

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. The court hereby affirms its determinations in the Preliminary Approval Order and finally certifies, for the purposes of the Settlement only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of all Persons who purchased or acquired during the period between April 18, 2007 and August 6, 2009, inclusive (the "Class Period"): (i) the common stock of the Colonial BancGroup, Inc. ("Colonial"); (ii) Colonial's common stock traceable to the Company's April 23, 2008 stock offering pursuant to the Registration Statement and Prospectus filed with the Securities and Exchange Commission; and (iii) the \$250 million worth of Subordinated Notes due in 2038, paying 8.875% interest on a quarterly basis, pursuant or traceable to Colonial's Form S-3/A Shelf Registration Statement and Prospectus dated November 12, 2004 and Form 424 (b)(2) Prospectus Supplement dated February 28, 2008, and were allegedly damaged thereby (the "Settlement Class"). Excluded from the Settlement Class are: the current and former defendants in the Action; the current and former officers and directors of the Company; members of the immediate families of the current and former defendants in the Action; the subsidiaries and affiliates of the Company; any entity in which the current and former defendants in the Action have or had a controlling interest; and the legal representatives, heirs, successors or assigns of any excluded person. Also excluded from

the Settlement Class are those persons who timely and validly sought exclusion from the Settlement Class in accordance with the requirements set forth in the Notice. A list of those persons is contained in Exhibit A annexed hereto.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the court hereby affirms its determinations in the Preliminary Approval Order and finally certifies Lead Plaintiffs Arkansas Teacher Retirement System, State-Boston Retirement System, Norfolk County Retirement System and City of Brockton Retirement System, and additional named plaintiffs The Horace F. Moyer and Joan M. Moyer Living Trust and City of Worcester Retirement System, as Class Representatives for the Settlement Class; and appoints Labaton Sucharow LLP as Class Counsel for the Settlement Class.

5. The notification provided for and given to the Settlement Class was in compliance with the Preliminary Approval Order, and said notification constituted the best notice practicable under the circumstances and is in full compliance with the notice requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 27 of the Securities Act of 1933, 15 U.S.C. §77z-1(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the PSLRA, and due process.

6. The proposed Settlement of the Action on the terms and conditions set forth in the Stipulation is in all respects fair, reasonable and adequate, in light of the benefits to the Settlement Class, the complexity, expense and possible duration of further litigation against Defendants and the risks of establishing liability and damages and the costs of continued litigation. This court further finds the Settlement set forth in the Stipulation is the result of

arm's-length negotiations between experienced counsel representing the interests of Lead Plaintiffs, the Settlement Class, the Defendants, and the Tolerated Defendants.

7. The Stipulation and the proposed Settlement are hereby approved as fair, reasonable, adequate, and in the best interests of the Settlement Class Members, and shall be consummated in accordance with the terms and provisions of the Stipulation. To the extent there were objections to the Settlement, those objections are overruled.

8. The First Amended Consolidated Class Action Complaint for Violations of the Federal Securities Laws (the "Amended Complaint"), filed April 29, 2011, is hereby dismissed in its entirety as to the Defendants and the Tolerated Defendants, with prejudice, and without costs to any Party, except as otherwise provided in the Stipulation.

9. The court further finds that during the course of the Action, the Parties and their respective counsel at all times complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure.

10. Upon the Effective Date, Plaintiffs and each and every other Settlement Class Member, on behalf of themselves and each of their respective heirs, executors, trustees, administrators, predecessors, successors and assigns, shall be deemed to have fully, finally and forever waived, released, discharged and dismissed each and every one of the Released Claims against each and every one of the Released Defendant Parties and shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any and all of the Released Claims against any and all of the Released Defendant Parties.

11. Upon the Effective Date, the Defendants and the Tolerated Defendants, on behalf of themselves and each of their respective trustees, administrators, predecessors, successors and assigns, shall be deemed to have fully, finally and forever waived, released, discharged and

dismissed each and every one of the Released Defendants' Claims, as against each and every one of the Released Plaintiff Parties and shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any and all of the Released Defendants' Claims against any and all of the Released Plaintiff Parties.

12. Each Settlement Class Member, whether or not such Settlement Class Member executes and delivers a Proof of Claim, is bound by this Judgment, including, without limitation, the release of claims as set forth in the Stipulation.

13. This Judgment and the Stipulation, whether or not consummated, and any negotiations, proceedings or agreements relating to the Stipulation, the Settlement, and any matters arising in connection with settlement negotiations, proceedings, or agreements, shall not be offered or received against or to the prejudice of the Parties or their respective counsel for any purpose other than in an action to enforce the terms of the Settlement, and in particular:

(a) do not constitute, and shall not be offered or received against or to the prejudice of Defendants or Tolerated Defendants as, evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by Defendants or Tolerated Defendants with respect to the truth of any allegation by Plaintiffs and the Settlement Class, or the validity of any claim that has been or could have been asserted in the Action or in any litigation, including but not limited to the Released Claims, or of any liability, damages, negligence, fault or wrongdoing of Defendants or Tolerated Defendants or any person or entity whatsoever;

(b) do not constitute, and shall not be offered or received against or to the prejudice of Defendants or Tolerated Defendants as, evidence of a presumption, concession, or admission of any fault, misrepresentation, or omission with respect to any statement or written document approved or made by the Defendants or the Tolerated Defendants, or against or to the

prejudice of Plaintiffs or any other member of the Settlement Class as evidence of any infirmity in the claims of Plaintiffs or the other members of the Settlement Class;

(c) do not constitute, and shall not be offered or received against or to the prejudice of Defendants, Tolerated Defendants, Plaintiffs, any other member of the Settlement Class, or their respective counsel as, evidence of a presumption, concession, or admission with respect to any liability, damages, negligence, fault, infirmity, or wrongdoing, or in any way referred to for any other reason against or to the prejudice of any of the Defendants, Tolerated Defendants, Plaintiffs, other members of the Settlement Class, or their respective counsel, in any other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation;

(d) do not constitute, and shall not be construed against Defendants, Tolerated Defendants, Plaintiffs, or any other member of the Settlement Class as, an admission or concession that the consideration to be given hereunder represents the amount that could be or would have been recovered after trial; and

(e) do not constitute, and shall not be construed as or received in evidence as, an admission, concession, or presumption against Plaintiffs or any other member of the Settlement Class that any of their claims are without merit or infirm or that damages recoverable under the Consolidated Complaint or the Amended Complaint would not have exceeded the Settlement Amount.

14. The administration of the Settlement, and the decision of all disputed questions of law and fact with respect to the validity of any claim or right of any Person to participate in the distribution of the Net Settlement Fund, shall remain under the authority of this court.

15. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated, and in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

16. Without further order of the court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

17. The Parties are hereby directed to consummate the Stipulation and to perform its terms.

18. A separate order shall be entered regarding Lead Counsel's application for attorneys' fees and payment of expenses as allowed by the court. A separate order shall be entered regarding the proposed Plan of Allocation for the Net Settlement Fund. Such orders shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment.

19. Without affecting the finality of this Judgment in any way, this court hereby retains continuing jurisdiction over: (i) implementation of the Settlement; (ii) the allowance, disallowance or adjustment of any Settlement Class Member's claim on equitable grounds and any award or distribution of the Settlement Fund; (iii) disposition of the Settlement Fund; (iv) hearing and determining applications for attorneys' fees, costs, interest and payment of expenses in the Action; (v) all Parties for the purpose of construing, enforcing and administering the Settlement and this Judgment; and (vi) other matters related or ancillary to the foregoing. The court expressly determines that there is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of the court is expressly directed.

Dated: _____, 2015

Honorable R. David Proctor
UNITED STATES DISTRICT JUDGE

EXHIBIT A