

New York, NY – August 17, 2023

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

MICHAEL L. FERGUSON,	:	Civil Action No.
MYRL C. JEFFCOAT and DEBORAH SMITH,	:	1:17-cv-06685-ALC-BCM
individually and as representatives of a class of	:	
similarly situated plan participants and	:	
beneficiaries, and on behalf of the	:	
DST SYSTEMS, INC. 401(K) PROFIT	:	
SHARING PLAN,	:	
	:	
Plaintiffs,	:	
	:	
v.	:	
	:	
RUANE, CUNNIFF & GOLDFARB INC., <i>et al.</i> ,	:	
	:	
Defendants.	:	
	:	

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**SUMMARY NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION AND  
SETTLEMENT FAIRNESS HEARING**

TO: ALL CURRENT AND FORMER PARTICIPANTS IN THE DST SYSTEMS, INC. 401(K) PROFIT SHARING PLAN (THE “PLAN”) WHO WERE PARTICIPANTS IN THE PLAN BETWEEN MARCH 14, 2010 AND JULY 31, 2016 AND ***DID NOT*** SERVE AS FIDUCIARIES TO THE PLAN DURING THIS CLASS PERIOD.

**PLEASE READ THIS NOTICE CAREFULLY.  
A FEDERAL COURT AUTHORIZED THIS NOTICE.  
THIS IS NOT A SOLICITATION.  
YOU ARE NOT BEING SUED.**

A settlement has been preliminarily approved by a federal court in a class action lawsuit brought by Plaintiffs Michael L. Ferguson, Myrl C. Jeffcoat, and Deborah Smith (collectively, “Named Plaintiffs”), on behalf of the Settlement Class and the DST Systems, Inc. 401(k) Profit Sharing Plan (the “Plan”), against Defendants Ruane, Cunniff & Goldfarb Inc. (“RCG”); DST Systems, Inc. (“DST”), the Advisory Committee of the DST Systems, Inc. 401(k) Profit Sharing Plan (the “Advisory Committee”), and the Compensation Committee of the Board of Directors of DST Systems, Inc. (the “Compensation Committee,” and together with DST and the Advisory Committee, the “*Ferguson* DST Defendants”), as well as Robert D. Goldfarb (“Goldfarb,” a defendant in a separate related action). RCG, the *Ferguson* DST Defendants, and Goldfarb are collectively referred to as “Defendants.” Plaintiffs allege breaches of fiduciary duties under the

Employee Retirement Income Security Act of 1974 (“ERISA”). This Settlement will provide \$124,625,000.00 to the Plan, subject to certain deductions for Court-approved fees and expenses, including attorney’s fees; administrative costs; and civil penalties paid to the United States Department of Labor. The net settlement amount after these deductions will be allocated to Plan participants who had Plan accounts during the Class Period. All capitalized terms not otherwise defined in this Summary Notice of Class Action Settlement (the “Summary Notice”) have the meaning provided in the Settlement Agreement (the “Settlement Agreement”) available on the Settlement website (provided below). If you currently have a Plan account, you will receive an allocation to your Plan account without taking any further action. If you previously had a Plan account but no longer have one, you will be sent a check unless you submit a Former Participant Rollover Form. The United States District Court for the Southern District of New York authorized this Summary Notice.

### **WHO IS INCLUDED IN THE SETTLEMENT?**

If you were a Participant in the Plan at any time during the period from March 14, 2010 until July 31, 2016, inclusive (the “Class Period”), or you were a Beneficiary or Alternate Payee of any such Participant, then you are a member of the Settlement Class (a “Settlement Class Member”), **UNLESS** you: (i) were a member of the Advisory Committee of the Plan during the Settlement Class Period; (ii) were a member of the Compensation Committee of the Board of Directors of DST Systems, Inc. during the Settlement Class Period; (iii) otherwise served as a fiduciary of the Plan during the Settlement Class Period; or (iv) are a beneficiary, immediate family member, estate or executor of (i)-(iii).

### **WHAT IS THIS CASE ABOUT?**

Plaintiffs claim that the Defendants violated ERISA by, among other things, investing an inappropriate amount of the PSP’s assets in the stock of Valeant Pharmaceuticals (“VRX”), failing to timely reduce and/or eliminate the PSP’s investments in VRX, and, in the case of the *Ferguson* DST Defendants, failing to adequately monitor the fiduciaries managing the PSP’s investments. Plaintiffs’ allegations are described in more detail in the Complaint(s) available on the Settlement website. The Court has not made any finding that the Defendants have done anything wrong or violated any law or regulation. Both sides agreed to the Settlement to avoid the cost and risk of further litigation.

### **WHAT DOES THE SETTLEMENT PROVIDE?**

Defendants have agreed to provide \$124,625,000.00, which will be divided among eligible Settlement Class Members after payment of attorneys’ fees to Class Counsel, to counsel who represent certain Settlement Class Members who pursued arbitrations (“Arbitration Counsel”), and to counsel who represent certain other Settlement Class Members who filed separate actions in the Southern District of New York (“*Canfield/Mendon* Counsel”); Case Contribution Awards to Named Plaintiffs; payment of other costs and expenses of the Settlement, including notice and claims administration, as the Court may allow; and civil penalties payable to the United States Department of Labor. The total attorneys’ fees and expenses to be requested from the Settlement

Fund will be no more than \$25,125,000.00, with Class Counsel requesting an award of \$9,500,000.00; Arbitration Counsel requesting \$15,500,000.00; and *Canfield/Mendon* Counsel requesting up to \$250,000.00, half of which amount will be paid by Arbitration Counsel. Arbitration Counsel are also paying a portion of their fees to *Canfield/Mendon* counsel on account of assistance he provided in the arbitration matters. The Settlement Agreement, other related documentation, and a list of Frequently Asked Questions, available at the Settlement website identified below, describe the details of the proposed Settlement. Your share (if any) of the settlement fund will depend upon the amount and value of your Plan account(s) during the Settlement Class Period and certain other factors, including whether you previously obtained any payment from any of the Defendants related to the PSP's investment in VRX.

Please note that, if you executed a release in favor of any the Defendants or had an award or judgment entered in connection with any related proceedings against any of the Defendants (regardless of whether you won or lost), you may still be able to obtain a payment as part of the Settlement. If you already have received an arbitration award related to claims concerning the PSP's investment in VRX, as part of this Settlement you will receive at least the amount of any unpaid damages against DST included in that arbitration award. If you already received consideration (meaning a monetary payment, account allocation or financial benefit of any kind) as an arbitration claimant in return for execution of a release in favor of any of the Defendants, you will retain that consideration and, if you are entitled to a share of the Settlement Fund according to the Settlement Agreement that is greater than the amount of that consideration, you will receive a "top-off" payment in the amount of the difference.

This Settlement releases any claims against Defendants relating in any way to the allegations made in this case or in other lawsuits or arbitrations involving the Plan, as well as any claims in any way related to the Plan, its investments, fees, or performance, or any action or inaction by any Plan fiduciary. This means that if the Court approves the Settlement, you will not be able to pursue any other lawsuit or other legal proceeding, including arbitration, against any of the Defendants that asserts any claims in any way related to any of the allegations made in this case or in other lawsuits or arbitrations involving the Plan, or any claims in any way related to the Plan, its investments, fees, or performance, or any action or inaction by any Plan fiduciary.

The Settlement also will resolve a separate proceeding brought by the Department of Labor alleging ERISA violations in connection with the Plan.

## **HOW DO I RECEIVE A PAYMENT?**

If you are a Settlement Class member, a current Participant in the Plan, or a Beneficiary or Alternate Payee of a Plan participant who has an active account in the Plan, and you are entitled to a share of the Settlement Fund according to the Settlement Agreement, you are not required to do anything to receive a payment. Your Settlement Payment will automatically be calculated by the Settlement Administrator, deposited into your Plan account, and invested in accordance with your investment elections for new contributions.

If you are no longer a Participant in the Plan, or you are a Beneficiary or Alternate Payee of a Plan Participant who does not have an active account in the Plan, you will receive your Settlement Payment directly in the form of a check. If your address has changed since you closed your Plan account(s), please contact the Settlement Administrator toll-free at (866) 274-4004 or by email to [info@strategicclaims.net](mailto:info@strategicclaims.net) to advise of the change of address.

If you are no longer a Participant in the Plan, or you are a Beneficiary or Alternate Payee of a Plan participant who does not have an active account in the Plan and you would prefer to receive your Settlement Payment through a rollover to a qualified retirement account instead of a check, you will need to submit a Former Participant Rollover Form by the deadline contained on the Settlement website. You may download the Former Participant Rollover Form on the Settlement website.

### **CAN I OBJECT TO OR OPT OUT OF THE SETTLEMENT?**

This is a mandatory settlement. You do not have the right to exclude yourself from the Settlement in this case, but you do have the right to object to it by writing to the Court. Your objection may include objecting to the amount of attorneys' fees and expenses requested by Class Counsel or any other counsel, the amount of Case Contribution Awards requested by the Named Plaintiffs, and the amount of civil penalties to be remitted to the United States Department of Labor. You will be bound by any judgments or orders that are entered in this Action, and if the Settlement is approved, you will be deemed to have released the Defendants and associated persons from all claims that were or could have been asserted in this case, including all Released Claims as defined under the Settlement Agreement, other than your right to obtain the relief provided to you, if any, by the Settlement.

The Court will hold a hearing in this case on October 23, 2023 at 4:00 PM via telephone conference, with the Honorable Andrew L. Carter, Jr., U.S. District Court for the Southern District of New York, to consider whether to approve the Settlement and a request by the lawyers representing all Settlement Class Members, Class Counsel, as well as other counsel, for attorneys' fees, for Case Contribution Awards to the Named Plaintiffs, for other case-related expenses, and the civil penalties amount payable to the United States Department of Labor. If approved, these amounts will be paid from the Settlement Fund. You may ask to speak at the hearing by filing a Notice of Intention to Appear no later than October 13, 2023, but you are not required to do so.

Although you cannot opt out of the Settlement, you may object to all or any part of the Settlement and/or the Motion for Attorneys' Fees filed by Class Counsel, the Motion for Attorneys' Fees filed by other counsel, and the request for award of Case Contribution Awards in accordance with the instructions included in the long-form Notice of Proposed Settlement of Class Action and Settlement Fairness Hearing available at the Settlement website below. Objections must be received by the Court, by filing or by mail, by no later than October 13, 2023. Please note that the time, place and date of the hearing may change without a further mailing. Class Counsel will update the Settlement website below if the hearing time or location is changed. Please check the website or contact Class Counsel if you wish to confirm that the hearing time has not been changed.

## **HOW DO I GET MORE INFORMATION?**

If you are a Settlement Class member and would like to receive additional information or to receive a copy of the long-form Notice of Proposed Settlement of Class Action and Settlement Fairness Hearing, you can obtain such information by (a) sending a letter to DST Settlement Administrator, c/o Strategic Claims Services, 600 N Jackson Street, Suite 205, Media, PA 19063; (b) sending an e-mail to [info@strategicclaims.net](mailto:info@strategicclaims.net); (c) visiting the Settlement website at [www.strategicclaims.net/dst](http://www.strategicclaims.net/dst); or (d) calling toll-free at (866) 274-4004.