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13 Attorneys for Plaintiffs,
14 JOYCE WALKER, KIM BRUCE HOWLETT,
15 MURIEL SPOONER, TALINE BEDELIAN, and
16 OSCAR GUEVARA, on behalf of themselves
17 and all others similarly situated

18 **UNITED STATES DISTRICT COURT**
19 **CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION**

20 JOYCE WALKER, KIM BRUCE
21 HOWLETT, MURIEL SPOONER,
22 TALINE BEDELIAN, and OSCAR
23 GUEVARA, on behalf of themselves and
24 all others similarly situated,

25 Plaintiffs,

26 vs.

27 LIFE INSURANCE COMPANY OF THE
28 SOUTHWEST, a Texas corporation, and
DOES 1-50

Defendant.

CLASS ACTION

Case No.: CV 10-9198-JVS-JDE

**PLAINTIFFS' MEMORANDUM OF
POINTS AND AUTHORITIES IN
SUPPORT OF UNOPPOSED MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Judge: Hon. James V. Selna
Date: March 8, 2021
Time: 1:30 p.m.
Courtroom: 10C

1 Plaintiffs Joyce Walker, Kim Bruce Howlett, Muriel Spooner, Taline
2 Bedelian, and Oscar Guevara (“Lead Plaintiffs”), by and through their undersigned
3 counsel, hereby respectfully submit this Memorandum of Points and Authorities in
4 Support of their Unopposed Motion for Preliminary Approval of the Parties’
5 proposed settlement of this class action (the “Settlement”).¹

6 **I. INTRODUCTION**

7 Lead Plaintiffs and Defendant Life Insurance Company of the Southwest
8 (“LICS” or “Defendant”) have reached a settlement in which LICS has agreed to
9 make available three types of benefits to resolve the Class Members’ claims: (1) a
10 Cash Relief Option, which will provide eligible class members with cash payments;
11 (2) a Surrender Charge Credit, which will offset some or all surrender charges of
12 eligible class members who wish to surrender policies as part of the settlement
13 process; and (3) Term Insurance Relief, which will provide eligible class members
14 with a term life insurance policy. Additionally, LICS will guarantee that it will
15 continue to eliminate the Monthly Percent of Accumulated Value Charge
16 (“MPAVC”) on Class Members’ in-force Paragon Policies after each Policy has been
17 in force for ten policy years. LICS has also already made certain changes to the
18 contents of illustrations in order to address Plaintiffs’ claims. Finally, LICS has also
19 agreed to pay Court awarded attorneys’ fees to Lead Counsel (up to an agreed cap)
20 without diminishing the settlement consideration to Class Members.

21 The Settlement was reached after over a decade of litigation, which included a
22 jury and bench trial and several rounds of motions to dismiss, summary judgment,
23 class certification, decertification, and appeals to the Ninth Circuit Court of Appeals.
24

25 ¹ Capitalized terms not defined herein shall have the same definitions as set forth in the Stipulation
26 and Agreement of Settlement dated February 5, 2021 (“Stipulation”) and filed concurrently herewith
27 as Exhibit A.

1 The Settlement was the result of extensive arm's-length negotiations conducted by
2 experienced counsel informed by extensive discovery of the facts underlying this
3 litigation and it represents a substantial recovery of the Class Members' estimated
4 damages. The negotiations spanned years and involved private mediation, mediation
5 before a magistrate, in-person meetings of counsel, and dozens of phone calls and
6 email exchanges.

7 Thus, Lead Plaintiffs submit that, while they view the merits of the case to be
8 strong, in light of Defendant's potential defenses, the risks of prosecuting this
9 litigation through trial, and the significant recovery achieved, the Settlement is not
10 only well within the range of reasonableness, it is an excellent result and is in the best
11 interests of the Class Members.

12 At this juncture, the Court need only determine whether the Settlement is
13 sufficiently fair, reasonable, and adequate to allow notice to be disseminated and so
14 that a Settlement Hearing can be scheduled to consider final approval of the
15 Settlement. Lead Plaintiffs submit that the Settlement amply satisfies the required
16 standards. Accordingly, Lead Plaintiffs respectfully request that the Court: (i)
17 preliminarily approve the Settlement set forth in the Stipulation; (ii) approve the form
18 and manner of the Notice of Pendency and Proposed Settlement of Class Action
19 ("Notice") (attached as Exhibit A-1 to the Stipulation), and Postcard Notice (attached
20 as Exhibit A-2 to the Stipulation), pursuant to Federal Rule of Civil Procedure 23(e);
21 and (iii) schedule a date for the Settlement Hearing, pursuant to Federal Rule of Civil
22 Procedure 23(e), for the Court to consider and determine whether to approve the
23 terms of the Settlement as fair, reasonable, and adequate (including the payment of
24 the Fee and Cost Reimbursement to Lead Counsel in the amount separately
25 negotiated by the Settling Parties and the Incentive Award to Lead Plaintiffs), and to
26 rule upon any objections filed by Class Members.

1 **II. HISTORY OF THE LITIGATION**

2 **A. Lead Plaintiffs’ Claims and Allegations**

3 Lead Plaintiffs brought this Action on behalf of all persons who purchased a
4 SecurePlus Provider or SecurePlus Paragon Policy from LICS that was issued
5 between September 24, 2006 and April 27, 2014 (“Class Period”), who resided in
6 California at the time the Policy was issued, and who received an illustration on or
7 before the date of policy application.

8 Lead Plaintiffs assert on a class basis California Unfair Competition Law
9 (“UCL”) unlawfulness and unfairness claims, alleging that pre-application
10 illustrations (which are documents applicants may—but are not required to—receive
11 at or before the time of policy application, depicting policy performance based on
12 “what if” scenarios) violated two provisions of Cal. Ins. Code § 10509.950 *et seq.*, a
13 statute containing detailed requirements governing the contents of illustrations (the
14 “Illustration Statute”). First, Lead Plaintiffs allege that LICS violated Illustration
15 Statute Section 10509.956(b)(4), which calls for illustrations to supply a “brief
16 definition” of column headings and key terms. Lead Plaintiffs allege that LICS’s
17 illustrations failed to define a column heading that read “Guaranteed Values at
18 2.00%” (on Provider policies) or “Guaranteed Values at 2.50%” (on Paragon
19 policies) that appeared above columns of yearly guaranteed values. Lead Plaintiffs
20 assert that this violation was important to policyholders because Lead Plaintiffs
21 allege that the illustrations did not disclose that the guaranteed interest rates are not
22 paid each year, but are instead retrospectively calculated average rates.

23 Second, Lead Plaintiffs allege that LICS’s SecurePlus Paragon illustrations
24 violated Illustration Statute Section 10509.956(e)(3), which states that
25 “nonguaranteed elements” can be illustrated only if they are described in the policy
26 contract. Lead Plaintiffs assert that the yearly non-guaranteed values depicted in
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1 Paragon illustrations violated this requirement because they showed the eleventh-
2 year elimination of the MPAVC, a non-guaranteed element, in illustrations and did
3 not describe its planned elimination in the policy contracts. Lead Plaintiffs assert
4 that this violation is important because Lead Plaintiffs allege that it increases the
5 policy values that LICS showed in its Paragon illustrations without a corresponding
6 guarantee that the planned elimination would in fact occur.

7 Lead Plaintiffs believe that the claims asserted in the Action have merit. Lead
8 Plaintiffs, however, recognize and acknowledge the expense and length of continued
9 proceedings necessary to prosecute the Action against LICS through trial and
10 appeals. Lead Plaintiffs have also considered the uncertain outcome and the risk of
11 any litigation. In particular, Lead Plaintiffs have considered the inherent problems
12 of proof and possible defenses to the claims asserted in the Action, including the
13 defenses that have been or could be asserted by LICS. Lead Plaintiffs have therefore
14 determined that the Settlement set forth in this Stipulation is fair, adequate, and
15 reasonable, and in the best interests of the Class.

16 LICS has denied and continues to deny each, any, and all allegations of
17 wrongdoing, fault, liability, or damages whatsoever that have or could have been
18 asserted in the Action, and LICS does not admit or concede any actual or potential
19 wrongdoing, fault, liability, or damages in connection with any facts, allegations, or
20 claims which have been or could have been alleged against it in the Action. LICS
21 has also denied and continues to deny, *inter alia*, the allegations and claims that have
22 been or could have been asserted by Lead Plaintiffs, as well as the allegations that
23 Lead Plaintiffs or the Class have suffered damages or that Lead Plaintiffs or the Class
24 were harmed by the conduct alleged in the Action. LICS continues to believe the
25 claims asserted against it in the Action are without merit; that its illustrations were
26 not misleading and comply with the requirements of the Illustration Statute; that Lead
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1 Plaintiffs have not suffered any damages as a result of any alleged conduct, acts,
2 statements, or omissions by LICS; and that the Action itself should not be certified
3 as a class action for purposes of trial and adjudication of liability and damages.

4 **B. Procedural Posture**

5 Since the filing of this Action more than 10 years ago, this matter has been
6 aggressively litigated, as the Settling Parties have engaged in substantial motion
7 practice and discovery, a jury and bench trial, and two rounds of appeals. The Court
8 is well aware of the efforts made by the Settling Parties in this Action. The Settling
9 Parties summarize the extensive history of this Action herein.

10 In 2010, Lead Plaintiffs filed a putative class action against LICS and asserted
11 claims for fraudulent concealment and violation of all three prongs of the UCL. Lead
12 Plaintiffs alleged various misrepresentations in the purchase process, including
13 numerous challenges to the contents of illustrations. The district court heard a motion
14 to dismiss, allowing most claims to survive but dismissing certain UCL unlawfulness
15 and unfairness claims predicated on alleged violations of the Illustration Statute.
16 Although the district court held that an Illustration Statute violation could not serve
17 as the predicate for UCL claims, the Ninth Circuit Court of Appeals later reversed
18 that ruling, resulting in the UCL claims now at issue.

19 In 2012, the district court certified: (i) a class of all California Provider and
20 Paragon policyholders (over a specified time period), asserting LICS omitted certain
21 information during the sales process, and (ii) a subclass of those policyholders who
22 received pre-application illustrations, challenging the contents of pre-application
23 illustrations (the "Illustration Subclass"). Nearly a year after certifying the
24 Illustration Subclass, and after consideration of extensive additional information on
25 the process required for the parties to litigate and the court to determine when
26 policyholders received illustrations, the district court decertified that subclass (the
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1 “Decertification Order”). Following the Decertification Order, there remained for
2 the Lead Plaintiffs to pursue: (i) common-law fraud and UCL claims on behalf of all
3 California Provider and Paragon policyholders asserting LICS omitted certain
4 information during the purchase process; and (ii) individual common-law fraud and
5 UCL claims challenging the contents of illustrations.

6 In April 2014, after a three-week jury trial, the jury rendered verdict in LICS’s
7 favor. The district court later entered findings of fact and law resolving the
8 remaining, non-jury claims in LICS’s favor.

9 Lead Plaintiffs appealed on several grounds. In March 2017, the United States
10 Court of Appeals for the Ninth Circuit affirmed the trial verdict and affirmed the
11 Decertification Order on the grounds that the claims of the decertified subclass had
12 no merit. The Ninth Circuit, however, reversed this Court’s pre-trial dismissal of
13 Lead Plaintiffs’ UCL claims to the extent that they were premised on the Illustration
14 Statute and remanded them for further proceedings.

15 In December 2017, the Court adjudicated cross motions for summary judgment
16 and narrowed Lead Plaintiffs’ remaining claims to two UCL claims asserting
17 violations of the Illustration Statute.

18 On July 31, 2018, the Court entered a Rule 23 order certifying a class of “[a]ll
19 persons who purchased a Provider Policy or Paragon Policy from Life Insurance
20 Company of the Southwest that was issued between September 24, 2006 and April
21 27, 2014, who resided in California at the time the Policy was issued, and who
22 received an illustration on or before the date of policy application” (the “Certification
23 Order”). Lead Plaintiffs moved for reconsideration of the Certification Order,
24 arguing that the Court should have certified a class of all purchasers (*i.e.*, not only
25 those who received pre-application illustrations). The Court denied Lead Plaintiffs’
26 reconsideration motion (the “Reconsideration Order”).
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1 LICs and Lead Plaintiffs filed Rule 23(f) petitions seeking review of the
2 Certification Order and Reconsideration Order, which the Ninth Circuit granted. On
3 March 23, 2020, the Ninth Circuit affirmed the Court’s Certification Order.

4 **C. Settlement Negotiations**

5 The Settling Parties have made numerous good faith attempts to settle this
6 Action over the years. Prior attempts have included both mediation before a private
7 neutral, and mediation before Magistrate Judge Early. While the parties worked hard
8 in good faith to settle this Action, they were unable to do so.

9 The Settling Parties restarted settlement discussions in 2020. In particular, the
10 Settling Parties engaged in extensive arm’s-length negotiations following the Ninth
11 Circuit’s March 23, 2020 opinion. These negotiations included an in-person meeting
12 of counsel, dozens of teleconferences and email exchanges, and many proposals and
13 counterproposals. After very extensive negotiations, the parties reached the
14 Settlement now being presented to the Court. After reaching agreement on
15 Settlement terms, the Settling Parties also reached an agreement concerning
16 attorneys’ fees. Thereafter, the Settling Parties exchanged drafts of the Stipulation
17 and supporting settlement documents. The Settling Parties finalized and executed
18 the Stipulation on February 5, 2021.

19 Lead Plaintiffs and Lead Counsel have concluded that the terms and conditions
20 of the Settlement are fair, reasonable, and adequate to Lead Plaintiffs and to the other
21 Class Members, and in their best interests, and have agreed to settle the claims raised
22 in the Action pursuant to the terms and provisions of the Stipulation, after
23 considering: (1) the benefits the Class Members will receive from the Settlement; (2)
24 the risks of litigation; and (3) the desirability of permitting the proposed Settlement
25 to be consummated as provided by the terms of this Stipulation.
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1 **III. SETTLEMENT TERMS**

2 **A. Class Definition**

3 The Class includes all persons who purchased a Provider Policy or Paragon
4 Policy from Life Insurance Company of the Southwest that was issued between
5 September 24, 2006 and April 27, 2014, who resided in California at the time the
6 Policy was issued, and who received an illustration on or before the date of policy
7 application. *See* Stip., Ex. A at § 2.5.² The proposed Postcard Notice will be
8 disseminated to all California Paragon and Provider policyholders who purchased
9 during the Class Period and will be able through the administration process to self-
10 identify as Class Members.

11 **B. Relief Provided to Class Members Under the Proposed Settlement**

12 Pursuant to the terms of the Stipulation, each Class Member is eligible to
13 receive at least one of three valuable benefits: (1) Term Insurance Relief, (2) a
14 Surrender Charge Credit; and (3) a Cash Relief Option. Each settlement benefit has
15 particular eligibility criteria that a Class Member must meet, and whether a Class
16 Member is eligible to receive a particular settlement benefit may depend of the status
17 of the Class Member's Underlying Life Insurance Policy.
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19 _____
20 ² The following Persons are not included in the Class: past or present officers,
21 directors, agents, brokers, or employees of LICS, or its parent or subsidiary
22 corporations; any agents, brokers, or others who sold the SecurePlus Provider or
23 SecurePlus Paragon Policies for LICS, or for its parent or subsidiary corporations; any
24 entity in which LICS has a controlling interest; the affiliates, legal representatives,
25 attorneys or assigns of LICS or its parent or subsidiary corporations; any judge,
26 justice, or judicial officer presiding over this matter and the staff and immediate
27 family of any such judge, justice, or judicial officer; Persons who previously had
28 settled disputes with LICS with respect to their SecurePlus Provider or SecurePlus
Paragon Policies and signed releases; and any Person who submits a valid request to
be excluded from the Class. *Id.*

1 a face value of \$500,000 and the percentage is 0.51%, if the Class Member elects to
2 receive Term Insurance Relief, the face value of her Term Policy will be \$2,561. *Id.*³

3 **2. Surrender Charge Credit**

4 Eligible Class Members will also have the opportunity to fully surrender an
5 Underlying Life Insurance Policy as part of the Settlement and obtain a refund of
6 some or all of the surrender charge incurred on the full surrender of the Policy. LICS
7 will make available to the Class up to \$1,000,000 in aggregate Surrender Charge
8 Credit from a Settlement Fund. *Stip.*, Ex. A at § 4.7.

9 The amount of Surrender Charge Credit available to each eligible Class
10 Member will be the lesser of: (1) the amount of surrender charge actually incurred
11 on full surrender of the Class Member's Underlying Life Insurance Policy in
12 accordance with the Stipulation of Settlement; or (2) an amount determined by the
13 following formula: (a) first, calculate a percentage (which will be the same for all
14 eligible Class Members) equal to one million dollars (\$1,000,000) divided by the
15 aggregate premium paid on all SecurePlus Paragon and SecurePlus Provider Policies
16 issued to individuals in California during the Class Period, and then (b) multiply that
17 percentage times the total premiums paid on the eligible Class Member's Underlying
18 Life Insurance Policy that is being surrendered. *Id.* at § 4.9. The percentage is
19 currently estimated to be 0.256%, and will be finalized as part of the settlement
20 administration process. *Id.* To illustrate the foregoing calculation on a purely
21 hypothetical basis, suppose a Class Member has paid total premiums of \$20,000 on
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23 ³ In the event that the total aggregate face value of the Term Policies to be issued
24 calculated using the formula outlined above exceeds \$35,000,000, then the face value
25 of each Term Policy shall instead be based on a pro rata share (by face value of each
26 Underlying Life Insurance Policy electing to receive the Term Insurance Relief
27 Option) of the \$35,000,000, such that the total aggregate face value of Term Policies
28 does not exceed \$35,000,000. *Id.*

1 an Underlying Life Insurance Policy, fully surrenders it in accordance with the
2 Stipulation of Settlement, and incurs a surrender charge of \$200. In this instance, if
3 the percentage is 0.256%, then the Surrender Charge Credit is \$51.20 (i.e., 0.256%
4 of \$20,000). *Id.*

5 **3. Cash Relief Option**

6 Eligible Class Members will also have the opportunity to receive Cash Relief
7 from the Residual of the Net Settlement Fund (*i.e.*, the amount that is left after the
8 Surrender Charge Credits are distributed and Administrative Costs and Taxes are
9 paid, plus an additional \$500,000). *Stip.*, Ex. A at § 4.12. This Cash Relief Option
10 is available to Class Members that do not elect Term Insurance Relief on a Proof of
11 Claim. (Provided, however, that if a Class Member elects Term Insurance Relief and
12 the insured on the Class Member's Underlying Life Insurance Policy dies prior to
13 issuance of the Term Insurance Relief, then the Class Member shall receive the Cash
14 Relief Option.) *Id.* at § 4.13.

15 The amount of Cash Relief available to each eligible Class Member will be the
16 lesser of: (1) the total premiums paid on the Underlying Life Insurance Policy owned
17 by the electing Class Member; or (2) a pro rata share (by total premium paid on each
18 Underlying Life Insurance Policy electing to receive the Cash Relief Option) of the
19 Residual. *Id.* at § 4.14.

20 **4. MPAVC Elimination**

21 LICS shall be required to continue to eliminate the MPAVC on each
22 Underlying Life Insurance Policy that is a Paragon Policy once such Underlying Life
23 Insurance Policy has been in force for ten policy years. *Id.* at § 4.17.
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1 **5. Illustration Changes**

2 During the course of this Action, LICS made certain updates to its pre-
3 application life insurance illustrations, including but not limited to adding definitions
4 of “Current Basis A” and “Current Basis B”, and adding clarifying text pertaining to
5 the illustration of the elimination of the MPAVC. *Id.* at § 4.18. Without admitting
6 any wrongdoing, LICS has acknowledged that these changes were made as a result
7 of this Action. *Id.*

8 **C. Release Provisions**

9 Pursuant to the Settlement, Class Members shall release, relinquish, and
10 discharge, unless prohibited by law, any and all Claims relating in any way, directly
11 or indirectly, to any Paragon or Provider life insurance Policies issued in California
12 between September 24, 2006 and April 27, 2014, that have been or could have been
13 asserted by or on behalf of any of the Releasing Plaintiff Parties, in any capacity,
14 which concern, arise out of, are based upon, or refer or relate in any way to the same
15 events, transactions, circumstances, or factual predicate as the claims asserted in the
16 Action, as described in greater detail at Sections 2.26 and 5 of the Stipulation.

17 **D. Fee and Cost Reimbursement and Request for Incentive Award**

18 Lead Counsel will apply to the Court for an award of attorneys’ fees and
19 reimbursement of its reasonable expenses incurred through the Action in an amount
20 not to exceed \$2,500,000. *Stip.*, Ex. A at § 8.1. Lead Counsel will also apply to the
21 Court for an Incentive Award to Lead Plaintiffs in an aggregate amount not to exceed
22 \$100,000 in consideration of their efforts on behalf of the Class. *Id.* at § 9.1. These
23 amounts are separate from the settlement consideration described above, and do not
24 reduce it.
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1 **final approval.** *Murillo v. Pac. Gas & Elec. Co.*, 266 F.R.D. 468, 473 (E.D. Cal.
2 2010) (“Procedurally, the approval of a class action settlement takes place in two
3 stages.”); *see also Nat’l Rural Telecommc’ns Coop. v. DIRECTV, Inc.*, 221 F.R.D.
4 523, 525 (C.D. Cal. 2004). “In the first stage of the approval process, the court
5 preliminarily approve[s] the Settlement pending a fairness hearing . . . and
6 authorize[s] notice to be given to the Class.” *Murillo*, 266 F.R.D. at 473 (alterations
7 in original, citation and internal quotation marks omitted).

8 At this initial preliminary approval stage, the “Court need only determine
9 whether the proposed settlement appears on its face to be fair” and “falls within the
10 range of possible approval.” *Williams v. Costco Wholesale Corp.*, No. 02cv2003 IEG
11 (AJB), 2010 U.S. Dist. LEXIS 19674, at *15-16 (S.D. Cal. Mar. 4, 2010); *see also*
12 *In re Wireless Facilities, Inc. Sec. Litig. II*, 253 F.R.D. 607, 612 (S.D. Cal. 2008). In
13 considering whether to grant preliminary approval of a proposed class action
14 settlement, courts make a preliminary evaluation of the fairness of the settlement. At
15 this stage, however, the Court is not required to make a final determination as to
16 whether the proposed settlement will ultimately be found to be fair, reasonable, and
17 adequate. Rather, that evaluation is made only at the final approval stage, after notice
18 of the proposed settlement has been given to the members of the class and class
19 members have had an opportunity both to voice their views of the proposed
20 settlement and to exclude themselves from the class. *See Williams*, 2010 U.S. Dist.
21 LEXIS 19674, at *14-15 (“Given that some [] factors cannot be fully assessed until
22 the Court conducts the Settlement Hearing, ‘a full fairness analysis is unnecessary at
23 this stage.’”).

24 By their motion, Lead Plaintiffs request only that the Court take the first step
25 in the settlement review process – **preliminary approval**. To this end:

1 [T]he court may grant preliminary approval of a settlement and direct
2 notice to the class if the settlement: (1) appears to be the product of serious,
3 informed, non-collusive negotiations; (2) has no obvious deficiencies; (3)
4 does not improperly grant preferential treatment to class representatives or
5 segments of the class; and (4) falls with the range of possible approval.

6 *Spann v. J.C. Penney Corp.*, 314 F.R.D. 312, 319 (C.D. Cal. 2016) (internal quotation
7 marks omitted).

8 As demonstrated below, the Settlement is a fair result in light of the
9 circumstances present in this Action. Given the risks of litigation, the Settlement
10 represents a favorable resolution of this action and eliminates the risk that Class
11 Members might otherwise recover nothing at all. Accordingly, the Settlement
12 satisfies the criteria for preliminary approval and is well within the range of possible
13 approval.

14 **1. The Proposed Settlement Is the Product of Extensive, Hard-**
15 **Fought, Good Faith Negotiations**

16 Courts recognize that the opinion of experienced counsel supporting the
17 settlement after vigorous arm's-length negotiations is entitled to considerable weight.
18 *See, e.g., Gribble v. Cool Transports Inc.*, 2008 WL 5281665, at *9 (C.D. Cal. Dec.
19 15, 2008) (“Great weight is accorded to the recommendation of counsel, who are
20 most closely acquainted with the facts of the underlying litigation.”); *Ellis v. Naval*
21 *Air Rework Facility*, 87 F.R.D. 15, 18 (N.D. Cal. 1980) (“the fact that experienced
22 counsel involved in the case approved the settlement after hard-fought negotiations
23 is entitled to considerable weight”), *aff'd*, 661 F.2d 939 (9th Cir. 1981); *see also In*
24 *re First Capital Holdings Corp. Fin. Prods. Sec. Litig.*, 1992 WL 226321, at *2 (C.D.
25 Cal. June 10, 1992) (finding belief of counsel that the proposed settlement
26 represented the most beneficial result for the class to be a compelling factor in
27 approving settlement).

1 Lead Counsel, Kasowitz Benson Torres LLP, is a highly respected litigation
2 firm, has prosecuted this Action from its early stages, and is deeply familiar with the
3 strengths and weaknesses of the claims and defenses. Counsel for Defendant, Wilmer
4 Cutler Pickering Hale and Dorr LLP, is a premier international law firm, and their
5 representation of the Defendant was no less rigorous than Lead Counsel's
6 representation of the Class. The Court is familiar with the long, adversarial history
7 of this Action. The action was filed over 10 years ago, motion practice has been
8 extensive, discovery has been vigorous, and each side has amassed substantial factual
9 and expert testimony in support of their positions. Indeed, this action was headed to
10 trial in 2021. There is no doubt that the parties have had ample opportunity to
11 evaluate the respective strengths and weaknesses of the Action, and the Settlement is
12 the product of intensive litigation and serious, informed, non-collusive negotiations
13 between experienced, capable counsel.

14 The stage of the proceedings and the amount of information available to the
15 parties to assess the strengths and weaknesses of their case are additional factors that
16 courts consider in determining the fairness, reasonableness, and adequacy of a
17 settlement. *See In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 459 (9th Cir. 2000);
18 *In re Rambus Inc. Derivative Litig.*, 2009 WL 166689, at *2 (N.D. Cal. Jan. 20,
19 2009). This has been a highly time-consuming case, litigated fully and intensively
20 by all Parties, at no small expense to the Parties and the Court. As already
21 summarized *supra*, a prior jury and bench trial and years of pre-trial proceedings
22 were completed, and a second bench trial was just months away, when the Settlement
23 was reached. Fact and expert discovery has been extensive, and was entirely
24 completed before Settlement. Summary judgment and class certification on Lead
25 Plaintiffs' remaining claims have all been briefed and adjudicated, including in the
26 Ninth Circuit. The Parties were fully on-track for the commencement of trial in 2021.

1 In short, the time was ripe for a full assessment by all Parties of the relative risks and
2 benefits of the Settlement.

3 Lead Plaintiffs believe that their claims are legally meritorious, and present a
4 reasonable probability of a favorable determination on behalf of the Class, as is borne
5 out by the numerous favorable rulings made by this Court and the Ninth Circuit Court
6 of Appeals to date, after 10 years of litigation. At the same time, there is undeniably
7 significant litigation risk avoided by the Settlement, both in the trial and appellate
8 courts. LICS has vigorously contested both class treatment and the merits of Lead
9 Plaintiffs' claims, for which litigation risk must be considered in evaluating the
10 Settlement. As evidenced by its summary judgment motion, and subsequent motions,
11 LICS has continually argued that the Lead Plaintiffs and Class Members were not
12 injured as a result of any violations of the Illustration Statute. LICS has also argued
13 that certain evidence unrelated to "guaranteed values" should be excluded from trial.
14 Lead Plaintiffs disagree with LICS's arguments, as set forth in their oppositions to
15 summary judgment and other filings, but acknowledge that uncertainty and litigation
16 risk exist in these, among other, regards.

17 Finally, although pre-trial proceedings were largely completed at the time of
18 the Settlement, this litigation would have been unlikely to end with trial. The firms
19 involved are sophisticated litigators, and ready, willing, and able to pursue all
20 appropriate appeals. It is a near certainty that, post-trial, years of appellate
21 proceedings would have followed, further delaying any potential relief to Class
22 Members. The Settlement provides finality and a tangible, present recovery to Class
23 Members.

24 2. The Proposed Settlement Has "No Obvious Deficiencies"

25 The Settlement "has no[] obvious deficiencies" such as collusion among the
26 Parties. *See Young v. Polo Retail, LLC*, 2006 U.S. Dist. LEXIS 81077, at *12 (N.D.
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1 accordance with the terms of the Stipulation is eligible to receive the Surrender
2 Charge Credit. Further, LICS will be required to continue to eliminate the MPAVC
3 on each Underlying Life Insurance Policy that is a Paragon Policy once such
4 Underlying Life Insurance Policy has been in force for ten policy years (the
5 illustrated elimination of the MPAVC is not at issue with respect to Provider
6 Policies), and LICS has already made certain updates to all of its Provider and
7 Paragon pre-application life insurance illustrations during the course of this Action.

8 Moreover, the Settlement does not place the Lead Plaintiffs' personal interests
9 ahead of the Class as a whole. Apart from a reasonable Incentive Award, typical in
10 class action litigation, the individual settlement benefits for the Lead Plaintiffs are
11 the same as the Class generally. The proposed Incentive Award to Lead Plaintiffs,
12 in up to the aggregate sum of \$100,000 for the Lead Plaintiffs combined, is
13 reasonable given that the Lead Plaintiffs expended substantial efforts over the past
14 decade to assist in the successful resolution of this Action, including sitting for
15 depositions, attending a lengthy trial, and consulting on many occasions with
16 counsel. *See, e.g., Rodriguez v. West Publ'g Corp.*, 563 F.3d 948, 958-59 (9th Cir.
17 2009) ("Incentive awards are fairly typical in class action cases."). The proposed
18 Incentive Award is separately provided for under the Settlement and will not reduce
19 the Settlement benefits for the Class. The Incentive Award represents approximately
20 0.27% of the full value of the Settlement.

21 **4. The Proposed Relief Is Within the Range of Possible Approval**

22 The Settlement is also well within the "range of possible approval," as it
23 provides carefully tailored economic benefits to all Class Members, without the risk
24 and delays of continued litigation, trial, and appeal. Depending on the status of their
25 Underlying Life Insurance Policy, Class Members will be able to receive relief from
26 LICS in the form of (i) a three-year term life insurance policy (the Term Insurance
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1 Relief); (ii) a refund of some or all of the surrender charge incurred on the full
2 surrender of their Underlying Life Insurance Policy (the Surrender Charge Credit);
3 and/or (iii) cash relief from the Net Settlement Fund (the Cash Relief Option). In
4 addition to these three types of Settlement benefits, LICS will be required to continue
5 to eliminate the MPAVC on each Underlying Life Insurance Policy that is a Paragon
6 Policy once such Underlying Life Insurance Policy has been in force for ten policy
7 years. Finally, during the course of this Action, LICS made certain updates to its pre-
8 application life insurance illustrations, including but not limited to adding definitions
9 of “Current Basis A” and “Current Basis B”, and adding clarifying text pertaining to
10 the illustration of the elimination of the MPAVC. LICS has acknowledged that these
11 changes were made as a result of this Action.

12 These forms of settlement consideration are valuable to Class Members and
13 directly address the claims and issues in the litigation.

14 Lead Plaintiffs and Lead Counsel submit that, weighed against the challenges
15 and uncertainty of further litigation, the Settlement relief for Class Members not only
16 falls well within the range of possible approval, but represents an excellent recovery
17 on behalf of the Class.

18 **V. THE FORM AND MANNER OF NOTICE TO CLASS MEMBERS**
19 **SHOULD BE APPROVED**

20 **A. The Proposed Class Notice Satisfies Rule 23 and Due Process**
21 **Requirements**

22 Federal Rule of Civil Procedure 23(e)(1) requires that “[t]he court must direct
23 notice in a reasonable manner to all class members who would be bound” by the
24 Settlement. Notice of a proposed settlement must be given to class members in the
25 most practicable manner under the circumstances, describing the terms of the
26 settlement in sufficient detail to alert those with adverse viewpoints to investigate
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1 and to come forward and be heard. *See* Fed. R. Civ. P. 23(c)(2)(B). “Notice is
2 satisfactory if it ‘generally describes the terms of the settlement in sufficient detail to
3 alert those with adverse viewpoints to investigate and to come forward and be
4 heard.’” *Rodriguez v. West Publ’g Corp.*, 563 F.3d 948, 962 (9th Cir. 2009) (citations
5 omitted).

6 The Parties negotiated the proposed Postcard Notice (Exhibit A-2 to the
7 Stipulation) to be disseminated to all Class Members at the e-mail address or mailing
8 address of each such Class Member as set forth in LICS’s records. The Postcard
9 Notice provides the following essential details of the Action and Settlement to Class
10 Members in a fair, concise, and neutral way: (i) the existence of and their rights with
11 respect to the Action and Settlement, including information on excluding themselves
12 from the Class; (ii) the various benefits provided to Class Members in exchange for
13 the dismissal and release of claims against LICS (including that Class Members who
14 stay in the Settlement will be mailed a Proof of Claim Form); (iii) the date, time and
15 place of the Settlement Hearing and Class Members’ right to appear at the Settlement
16 Hearing; (iv) the maximum Fee and Cost Reimbursement and Incentive Award that
17 may be sought; and (v) the website for Class Members to access and the address,
18 phone number, and email address for Class Members to contact in order to view the
19 Stipulation and obtain copies of the long form Notice.

20 The Parties also negotiated the proposed long form Notice of Pendency and
21 Proposed Settlement of Class Action (Exhibit A-1 to the Stipulation) that will be
22 posted on a website dedicated to the administration of the Settlement. The long form
23 Notice clearly and concisely provides Class Members with additional details on the
24 Action and Settlement, including: (i) the Class definition and terms of the Settlement;
25 (ii) the eligibility criteria for each of the various Settlement benefits; (iii) the process
26 Class Members must follow to receive the Settlement benefits; (iv) procedures for
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1 objecting to or seeking exclusion from the Settlement; and (v) the binding effect of
2 the proceedings, rulings, orders, and judgments in this Action. The Notice clearly
3 describes the terms of the Settlement and the considerations that caused Lead Counsel
4 to conclude that the Settlement is fair and adequate. The Postcard Notice and Notice,
5 when mailed and posted as suggested, will fairly apprise Class Members of the
6 Settlement and their options with respect thereto.

7 Further, for those Class Members who wish to participate in the Settlement,
8 the Notice and the Proof of Claim Form (Exhibit D to the Stipulation) provide
9 instructions on the process for completing and submitting the Proof of Claim. The
10 Notice also provides the name and mailing address for the Claims Administrator,
11 Lead Counsel, and Defense Counsel. The Postcard Notice also informs Class
12 Members that copies of the Notice and Proof of Claim may be obtained by writing
13 or emailing the Claims Administrator, calling a toll-free number, or by accessing the
14 documents on the website of the Claims Administrator.

15 In addition, Rule 23(h)(1) requires that “[n]otice of the motion [for attorneys’
16 fees] must be served on all parties and, for motions by class counsel, directed to class
17 members in a reasonable manner.” Fed. R. Civ. P. 23(h)(1). Here, the Postcard
18 Notice and Notice satisfy the requirements of Rule 23(h)(1), as they notify Class
19 Members that Lead Counsel will apply to the Court for attorneys’ fees and expenses
20 of no more than \$2,500,000.

21 Accordingly, the Postcard Notice and Notice “describe[] the terms of the
22 settlement in sufficient detail to alert those with adverse viewpoints to investigate
23 and to come forward and be heard[,]” *Churchill Vill., LLC v. Gen. Elec.*, 361 F.3d
24 566, 575 (9th Cir. 2004), and “provide sufficient information to allow class members
25 to decide whether they should accept the benefits of the settlement, opt out and pursue
26 their own remedies, or object to its terms[,]” *Spann*, 314 F.R.D. at 330 (citation
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1 omitted). The manner of providing notice, which includes e-mailing or mailing an
2 individual Postcard Notice to all Class Members who can be reasonably identified in
3 LICS's records, represents the best notice practicable under the circumstances and
4 satisfies the requirements of Rule 23, due process, and any other applicable law. *See,*
5 *e.g., Monterrubio v. Best Buy Stores, L.P.*, 291 F.R.D. 443, 452-53 (E.D. Cal. 2013).

6 **VI. PROPOSED SCHEDULE**

7 Lead Plaintiffs respectfully request approval of the following schedule:
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Event	Proposed Date/Deadline
Posting of the Notice and Stipulation to a website dedicated to the administration of the Settlement.	Twenty-eight (28) calendar days after the Preliminary Approval Order is entered.
Deadline to complete dissemination of Postcard Notice to Class Members.	Twenty-eight (28) calendar days after the Preliminary Approval Order is entered.
Deadline for Lead Plaintiffs to file and serve papers in support of Final Approval of the Settlement, the application for Fee and Expense Award, and the Incentive Award.	Thirty-five (35) calendar days prior to the Settlement Hearing.
Deadline for Class Members to submit comments in support of or objections in opposition to Final Approval of the Settlement, the application for Fee and Expense Award, and/or the Incentive Award.	Sixty (60) calendar days calendar days after the date appearing on the Notice.
Deadline for Class Members to request exclusion from the Class.	Sixty (60) calendar days calendar days after the date appearing on the Notice.
Deadline to file and serve papers in response to objections or in further support of Final Approval of the Settlement, the application for Fee and Expense Award, and/or the Incentive Award.	Seven (7) calendar days prior to the Settlement Hearing.
Settlement Hearing	Approximately 100 days after Preliminary Approval Order is entered.
Deadline for the Submission of Proof of Claim Forms	Sixty (60) calendar days after the date on which the Claims Administrator provides the Proof of Claim Forms to Class Members.

VII. CONCLUSION

For the reasons set forth above, Lead Plaintiffs respectfully request that the Court: (1) grant preliminary approval of the Settlement; (2) approve the form and manner of the dissemination of the Postcard Notice and Notice to Class Members; and (3) schedule a Settlement Hearing to consider whether to grant final approval of the Settlement. Given the time needed for dissemination of notice under the Class Action Fairness Act (which requires a 90-day period), the Settlement Hearing should be set for a date no less than three months after allowance of this Motion.⁴

Dated: February 5, 2021

KASOWITZ BENSON TORRES LLP

/s/ Veronica Nauts

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BRUCE HOWLETT, MURIEL SPOONER,
TALINE BEDELIAN, and OSCAR GUEVARA,

⁴ The Class Action Fairness Act requires notice be made to appropriate government officials “[n]ot later than 10 days after a proposed settlement of a class action is filed in court[.]” 28 U.S.C. § 1715(b). To allow for government review of the proposed settlement, a final approval order “may not be issued earlier than 90 days” after such notice is made. *Id.* § 1715(d).

on behalf of themselves and all other similarly situated

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2 **UNITED STATES DISTRICT COURT**
3 **CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION**

4 JOYCE WALKER, KIM BRUCE
5 HOWLETT, MURIEL SPOONER,
6 TALINE BEDELIAN, and OSCAR
GUEVARA, on behalf of themselves and
all others similarly situated,

7 Plaintiffs,

8 vs.

9 LIFE INSURANCE COMPANY OF THE
10 SOUTHWEST, a Texas corporation, and
DOES 1-50

11 Defendant.

Case No.: CV 10-9198-JVS-JDE

**STIPULATION AND AGREEMENT
OF SETTLEMENT**

1 This Stipulation and Agreement of Settlement (together with all exhibits
2 hereto, the “Stipulation”), dated as of February 5, 2021, is entered into by and
3 among (i) Joyce Walker, Kim Bruce Howlett, Muriel Spooner, Taline Bedelian,
4 and Oscar Guevara (collectively, “Lead Plaintiffs”), on behalf of themselves and
5 on behalf of the Class (as defined herein) and (ii) Life Insurance Company of the
6 Southwest (“LICS”), collectively the “Settling Parties.” This Stipulation states all
7 of the terms of the settlement and resolution of this matter by the Settling Parties
8 (the “Settlement”) and is intended by the Settling Parties to fully and finally
9 release, resolve, remise, and discharge the Released Claims against the Released
10 Parties, subject to the approval of the United States District Court for the Central
11 District of California (“Court”).

12 Throughout this Stipulation, all terms used with initial capitalization, but
13 not immediately defined, shall have the meanings ascribed to them in Section 2
14 below.

15 **I. RECITALS**

16 Whereas:

17 **A. The Action**

18 **1. Lead Plaintiffs’ Claims and Allegations**

19 Lead Plaintiffs brought this Action on behalf of all persons who purchased
20 a SecurePlus Provider or SecurePlus Paragon Policy (the “Policies”) from LICS
21 that was issued between September 24, 2006 and April 27, 2014 (“Class Period”),
22 who resided in California at the time the Policy was issued, and who received an
23 illustration on or before the date of policy application.

24 Lead Plaintiffs assert on a class basis California Unfair Competition Law
25 (“UCL”) unlawfulness and unfairness claims, alleging that pre-application
26 illustrations (which are documents applicants may—but are not required to—
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1 receive at or before the time of policy application, depicting policy performance
2 based on “what if” scenarios) violated two provisions of Cal. Ins. Code §
3 10509.950 *et seq.*, a statute containing detailed requirements governing the
4 contents of illustrations (the “Illustration Statute”). First, Lead Plaintiffs allege
5 that LICS violated Illustration Statute Section 10509.956(b)(4), which calls for
6 illustrations to supply a “brief definition” of column headings and key terms.
7 Lead Plaintiffs allege that LICS’s illustrations failed to define a column heading
8 that read “Guaranteed Values at 2.00%” (on Provider policies) or “Guaranteed
9 Values at 2.50%” (on Paragon policies) that appeared above columns of yearly
10 guaranteed values. Lead Plaintiffs assert that this violation was important to
11 policyholders because Lead Plaintiffs allege that the illustrations did not disclose
12 that the guaranteed interest rates are not paid each year, but are instead
13 retrospectively calculated average rates.

14 Second, Lead Plaintiffs allege that LICS’s SecurePlus Paragon illustrations
15 violated Illustration Statute Section 10509.956(e)(3), which states that
16 “nonguaranteed elements” can be illustrated only if they are described in the
17 policy contract. Lead Plaintiffs assert that the yearly non-guaranteed values
18 depicted in Paragon illustrations violated this requirement because they showed
19 the eleventh-year elimination of the Monthly Percent of Accumulated Value
20 Charge (“MPAVC”), a non-guaranteed element, in illustrations and did not
21 describe its planned elimination in the policy contracts. Lead Plaintiffs assert that
22 this violation is important because Lead Plaintiffs allege that it increases the
23 policy values that LICS showed in its Paragon illustrations without a
24 corresponding guarantee that the planned elimination would in fact occur.

1 **2. Procedural Posture**

2 Since the filing of this Action more than 10 years ago, this matter has been
3 aggressively litigated, as the Settling Parties have engaged in substantial motion
4 practice and discovery, a jury and bench trial, and two rounds of appeals. The
5 Court is well aware of the efforts made by the Settling Parties in this Action. The
6 Settling Parties summarize the extensive history of this Action herein.

7 In 2010, Lead Plaintiffs filed a putative class action against LICS and
8 asserted claims for fraudulent concealment and violation of all three prongs of the
9 UCL. Lead Plaintiffs alleged various misrepresentations in the purchase process,
10 including numerous challenges to the contents of illustrations. The district court
11 heard a motion to dismiss, allowing most claims to survive but dismissing certain
12 UCL unlawfulness and unfairness claims predicated on alleged violations of the
13 Illustration Statute. Although the district court held that an Illustration Statute
14 violation could not serve as the predicate for UCL claims, the Ninth Circuit Court
15 of Appeals later reversed that ruling, resulting in the UCL claims now at issue.

16 In 2012, the district court certified: (i) a class of all California Provider and
17 Paragon policyholders (over a specified time period), asserting LICS omitted
18 certain information during the sales process, and (ii) a subclass of those
19 policyholders who received pre-application illustrations, challenging the contents
20 of pre-application illustrations (the “Illustration Subclass”). Nearly a year after
21 certifying the Illustration Subclass, and after consideration of extensive additional
22 information on the process required for the parties to litigate and the court to
23 determine when policyholders received illustrations, the district court decertified
24 that subclass (the “Decertification Order”). Following the Decertification Order,
25 there remained for Lead Plaintiffs to pursue: (i) common-law fraud and UCL
26 claims on behalf of all California Provider and Paragon policyholders asserting
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1 LICS omitted certain information during the purchase process; and (ii) individual
2 common-law fraud and UCL claims challenging the contents of illustrations.

3 In April 2014, after a three-week jury trial, the jury rendered verdict in
4 LICS's favor. The district court later entered findings of fact and law resolving
5 the remaining, non-jury claims in LICS's favor.

6 Lead Plaintiffs appealed on several grounds. In March 2017, the United
7 States Court of Appeals for the Ninth Circuit affirmed the trial verdict and
8 affirmed the Decertification Order on the grounds that the claims of the
9 decertified subclass had no merit. The Ninth Circuit, however, reversed this
10 Court's pre-trial dismissal of Lead Plaintiffs' UCL claims to the extent that they
11 were premised on the Illustration Statute and remanded them for further
12 proceedings.

13 In December 2017, the Court adjudicated cross motions for summary
14 judgment and narrowed Lead Plaintiffs' remaining claims to two UCL claims
15 asserting violations of the Illustration Statute.

16 On July 31, 2018, the Court entered a Rule 23 order certifying a class of
17 "[a]ll persons who purchased a Provider Policy or Paragon Policy from Life
18 Insurance Company of the Southwest that was issued between September 24,
19 2006 and April 27, 2014, who resided in California at the time the Policy was
20 issued, and who received an illustration on or before the date of policy
21 application" (the "Certification Order"). Lead Plaintiffs moved for
22 reconsideration of the Certification Order, arguing that the Court should have
23 certified a class of all purchasers (*i.e.*, not only those who received pre-application
24 illustrations). The Court denied Lead Plaintiffs' reconsideration motion (the
25 "Reconsideration Order").
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1 LICS and Lead Plaintiffs filed Rule 23(f) petitions seeking review of the
2 Certification Order and Reconsideration Order, which the Ninth Circuit granted.
3 On March 23, 2020, the Ninth Circuit affirmed the Court’s Certification Order.

4 **B. Settlement Negotiations**

5 The Settling Parties have made numerous good faith attempts to settle this
6 Action over the years. Prior attempts have included both mediation before a
7 private neutral, and mediation before Magistrate Judge Early. While the parties
8 worked hard in good faith to settle this Action, they were unable to do so.

9 The Settling Parties restarted settlement discussions in 2020. In particular,
10 the Settling Parties engaged in extensive arm’s-length negotiations following the
11 Ninth Circuit’s March 23, 2020 opinion. These negotiations included an in-
12 person meeting of counsel, dozens of teleconferences and email exchanges, and
13 many proposals and counterproposals. After very extensive negotiations, the
14 parties reached the Settlement set forth in this Stipulation. After reaching
15 agreement on Settlement terms, the Settling Parties also reached an agreement
16 concerning attorneys’ fees. Thereafter, the Settling Parties exchanged drafts of
17 the Stipulation and supporting settlement documents. The Settling Parties
18 finalized and executed the Stipulation on February 5, 2021.

19 Lead Plaintiffs and Lead Counsel have concluded that the terms and
20 conditions of the Settlement are fair, reasonable, and adequate to Lead Plaintiffs
21 and to the other Class Members, and in their best interests, and have agreed to
22 settle the claims raised in the Action pursuant to the terms and provisions of the
23 Stipulation, after considering: (1) the benefits the Class Members will receive
24 from the Settlement; (2) the risks of litigation; and (3) the desirability of
25 permitting the proposed Settlement to be consummated as provided by the terms
26 of this Stipulation.

1 **C. LICS’s Denial of Wrongdoing and Liability**

2 Throughout the course of the Action and in this Stipulation, LICS has
3 denied and continues to deny each, any, and all allegations of wrongdoing, fault,
4 liability, or damage whatsoever that have or could have been asserted in the
5 Action. LICS has also denied and continues to deny, *inter alia*, the allegations
6 and claims that have been or could have been asserted by Lead Plaintiffs, as well
7 as the allegations that Lead Plaintiffs or the Class have suffered damages or that
8 Lead Plaintiffs or the Class were harmed by the conduct alleged in the Action.
9 LICS continues to believe the claims asserted against it in the Action are without
10 merit; that its illustrations were not misleading and comply with the requirements
11 of the Illustration Statute; that Lead Plaintiffs have not suffered any damages as a
12 result of any alleged conduct, acts, statements, or omissions by LICS; and that the
13 Action itself should not be certified as a class action for purposes of trial and
14 adjudication of liability and damages. LICS has not conceded or admitted any
15 wrongdoing or liability, is not doing so by entering this Stipulation, and disclaims
16 any and all wrongdoing and liability whatsoever.

17 LICS has agreed to enter this Stipulation solely to avoid the uncertainties,
18 burden, and expense of further litigation and to put the Released Claims to rest
19 finally and forever. Nothing in this Stipulation shall be construed as or deemed
20 evidence supporting an admission by either LICS or any of the Released
21 Defendant Parties with respect to any of Lead Plaintiffs’ allegations or claims, or
22 of any wrongdoing, fault, liability, or damages whatsoever.

23 **D. Claims of Plaintiffs and Benefits of Settlement**

24 Lead Plaintiffs believe that the claims asserted in the Action have merit.
25 Lead Plaintiffs, however, recognize and acknowledge the expense and length of
26 continued proceedings necessary to prosecute the Action against LICS through
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1 trial and appeals. Lead Plaintiffs have also considered the uncertain outcome and
2 the risk of any litigation. In particular, Lead Plaintiffs have considered the
3 inherent problems of proof and possible defenses to the claims asserted in the
4 Action, including the defenses that have been or could be asserted by LICS. Lead
5 Plaintiffs have therefore determined that the Settlement set forth in this
6 Stipulation is fair, adequate, and reasonable, and in the best interests of the Class.

7 Nothing in this Stipulation shall be construed as or deemed evidence
8 supporting an admission by Lead Plaintiffs with respect to the merits of any of
9 LICS's defenses.

10 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by
11 and among Lead Plaintiffs, on behalf of themselves and each of the Class
12 Members, and LICS (by and through their respective undersigned counsel) that,
13 subject to the approval of the Court, in consideration of the benefits flowing to the
14 Settling Parties from the Settlement set forth herein, the Action and the Released
15 Claims as against the Released Parties shall be finally and fully compromised,
16 settled, and released, the Action shall be dismissed fully, finally, and with
17 prejudice, and the Released Claims shall be finally and fully released as against
18 the Released Parties, upon and subject to the terms and conditions of this
19 Stipulation, as follows:

20 **II. DEFINITIONS**

21 In addition to the terms defined above, the following capitalized terms, used
22 in this Stipulation, shall have the meanings specified below:

23 2.1. "Action" means the case captioned above.

24 2.2. "Administrative Costs" means all costs and expenses associated with
25 preparing and disseminating notice to the Class (including with respect to the
26 Settlement and class certification) and otherwise administering or carrying out the
27 terms of the Settlement. Such costs may include, without limitation: Escrow
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1 Agent costs, Claims Administrator costs, the costs of publishing, printing, and/or
2 disseminating all notices, and the costs of allocating and distributing the
3 settlement proceeds. Such costs do not include legal fees.

4 2.3. "Claims" means any and all manner of claims, debts, demands,
5 controversies, obligations, losses, costs, interest, penalties, fees, expenses, rights,
6 duties, judgments, sums of money, suits, contracts, agreements, promises,
7 damages, actions, causes of action and liabilities, of every nature and description
8 in law or equity (including, but not limited to, any claims for damages, whether
9 compensatory, special, incidental, consequential, punitive, exemplary, or
10 otherwise, injunctive relief, declaratory relief, restitutionary, recession or
11 recessionary damages, interest, attorneys' fees, expert or consulting fees, costs, or
12 expenses), accrued or unaccrued, known or unknown, arising under federal, state,
13 common, administrative, or foreign law, or any other law, rule, or regulation.

14 2.4. "Claims Administrator" means Epiq Class Action & Claims
15 Solutions, Inc., which shall administer the Settlement.

16 2.5. "Class" means the class certified by the Court via order dated July 31,
17 2018, consisting of all persons who purchased a Provider Policy or Paragon
18 Policy from Life Insurance Company of the Southwest that was issued between
19 September 24, 2006 and April 27, 2014, who resided in California at the time the
20 Policy was issued, and who received an illustration on or before the date of policy
21 application. The following Persons are not included in the Class: past or present
22 officers, directors, agents, brokers, or employees of LICS, or its parent or
23 subsidiary corporations; any agents, brokers, or others who sold the SecurePlus
24 Provider or SecurePlus Paragon Policies for LICS, or for its parent or subsidiary
25 corporations; any entity in which LICS has a controlling interest; the affiliates,
26 legal representatives, attorneys or assigns of LICS or its parent or subsidiary
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1 corporations; any judge, justice, or judicial officer presiding over this matter and
2 the staff and immediate family of any such judge, justice, or judicial officer;
3 Persons who previously had settled disputes with LICS with respect to their
4 SecurePlus Provider or SecurePlus Paragon Policies and signed releases; and any
5 Person who submits a valid request to be excluded from the Class.

6 2.6. “Class Member” means any one of, and “Class Members” means all
7 of, the members of the Class.

8 2.7. “Defense Counsel” means Wilmer Cutler Pickering Hale and Dorr
9 LLP and Baker Botts LLP.

10 2.8. “Effective Date” shall have the meaning set forth in Section 10.4 of
11 this Stipulation.

12 2.9. “Escrow Account” means an escrow account administered by the
13 Escrow Agent for the benefit of the Settling Parties and the Class, subject to the
14 authority and supervision of the Court.

15 2.10. “Escrow Agent” means Epiq Class Action & Claims Solutions, Inc.

16 2.11. “Final” when referring to the Final Judgment means exhaustion of all
17 possible appeals, meaning (i) if no appeal or request for review is filed, the day
18 after the date of expiration of any time for appeal or review of the Final Judgment,
19 and (ii) if an appeal or request for review is filed, the day after the date the last-
20 taken appeal or request for review is dismissed, or the Final Judgment is upheld
21 on appeal or review in all material respects, and is not subject to further review on
22 appeal or by certiorari or otherwise; provided, however, that no order of the Court
23 or modification or reversal on appeal or any other order relating solely to the Fee
24 and Cost Reimbursement or Incentive Award shall constitute grounds for
25 cancellation or termination of this Settlement or affect its terms, or shall affect or
26 delay the date on which the Final Judgment becomes Final.

1 2.12. “Final Judgment” means the final judgment and order of dismissal to
2 be entered by the Court finally approving the Settlement and dismissing the
3 Action, which must be in the form attached hereto as Exhibit C unless otherwise
4 agreed by Lead Plaintiffs and LICS.

5 2.13 “Lead Counsel” means Kasowitz Benson Torres LLP.

6 2.14. “Notice” means the Notice of Pendency and Proposed Settlement of
7 Class Action, which is to be made available to Class Members substantially in the
8 form attached hereto as Exhibit A-1 to be posted on the Claims Administrator’s
9 website.

10 2.15. “Person” means an individual, corporation, fund, limited liability
11 corporation, professional corporation, limited liability partnership, partnership,
12 limited partnership, association, joint stock company, estate, legal representative,
13 trust, unincorporated association, government or any political subdivision or
14 agency thereof, and any business or legal entity and their spouses, heirs,
15 predecessors, successors, representatives, or assigns.

16 2.16. “Preliminary Approval Order” means the order to be entered by the
17 Court preliminarily approving the Settlement and directing that notice of the
18 Settlement be provided to the Class, which must be in the form attached hereto as
19 Exhibit B absent agreement by Lead Plaintiffs and LICS.

20 2.17. “Postcard Notice” means the postcard notice to be provided to Class
21 Members in accordance with the Court’s Preliminary Approval Order in the form
22 attached as Exhibit A-2.

23 2.18. “Proof of Claim” means a timely and complete Proof of Claim Form.
24 For avoidance of doubt, a Class Member’s failure to submit a Proof of Claim shall
25 preclude certain relief as specified herein but shall not impact their membership in
26 the Class or provision of releases as set forth herein.

1 2.19. “Proof of Claim Cure Period” means the period beginning on the
2 calendar day after the end of the Proof of Claim Submission Period and ending
3 sixty (60) consecutive calendar days thereafter.

4 2.20. “Proof of Claim Form” means the proof of claim and release form to
5 be submitted by Class Members to participate in certain relief as specified herein,
6 in the form attached hereto as Exhibit D.

7 2.21. “Proof of Claim Mailing Date” means the date, which must fall after
8 the Effective Date, on which the Claims Administrator provides the Proof of
9 Claim Forms, Term Insurance Applications, and Surrender Forms to Class
10 Members.

11 2.22. “Proof of Claim Submission Period” means the period beginning five
12 (5) calendar days after the Proof of Claim Mailing Date and ending sixty (60)
13 consecutive calendar days thereafter.

14 2.23. “Related Parties” means, with respect to each Released Party, the
15 immediate family members, heirs, executors, trustees, administrators, successors,
16 assigns, and present and former employees, officers, directors, attorneys, legal
17 representatives, accountants, insurers, reinsurers, managers, and agents of each of
18 them, and any person or entity which is or was related to or affiliated with any
19 Released Party or in which any Released Party has a controlling interest, and the
20 present, former, and future direct and indirect parents, subsidiaries, divisions,
21 affiliates, predecessors, successors, and the employees, officers, directors,
22 attorneys, assigns, legal representatives, insurers, reinsurers, managers, and agents
23 of each of them.

24 2.24. “Released Claims” means and includes any and all Released
25 Plaintiffs’ Claims and Released Defendant’s Claims, as defined herein.

1 2.25. “Released Defendant’s Claims” means and includes, unless prohibited
2 by law, any and all Claims and Unknown Claims (as defined herein) that could
3 have been asserted against any of the Released Plaintiff Parties arising out of,
4 based upon, or relating in any way to the institution, prosecution, or settlement of
5 the Action. Notwithstanding the foregoing, “Released Defendant’s Claims” does
6 not include claims to enforce the terms of this Stipulation or orders or judgments
7 issued by the Court in connection with this Settlement.

8 2.26. “Released Plaintiffs’ Claims” means and includes, unless prohibited
9 by law, any and all Claims and Unknown Claims (as defined herein) relating in
10 any way, directly or indirectly, to any Paragon or Provider life insurance Policies
11 issued in California between September 24, 2006 and April 27, 2014, that have
12 been or could have been asserted by or on behalf of any of the Releasing Plaintiff
13 Parties, in any capacity, which concern, arise out of, are based upon, or refer or
14 relate in any way to the same events, transactions, circumstances, or factual
15 predicate as the claims asserted in the Action, including without limitation any
16 communications, disclosures, omissions, or nondisclosures related to the Policies,
17 whether written or oral, including any Policy illustrations; the offering of advice
18 in any manner related to the Policies; the design, marketing, solicitation,
19 application, sale, appropriateness, or administration of the Policies; or the
20 crediting of interest to Policy accounts. Notwithstanding the foregoing,
21 “Released Plaintiffs’ Claims” does not include: (i) Claims to enforce a Class
22 Member’s contractual rights to make a claim for benefits that will become
23 payable in the future pursuant to the express terms of the policy form issued by
24 LICs; or (ii) Claims to enforce the terms of this Stipulation or orders or
25 judgments issued by the Court in connection with this Settlement.
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1 2.27. “Released Parties” means any and all Released Defendant Parties and
2 Released Plaintiff Parties.

3 2.28. “Released Defendant Parties” means LICS and its Related Parties.

4 2.29. “Released Plaintiff Parties” means Lead Plaintiffs and Class
5 Members, and each and all of their Related Parties.

6 2.30. “Releasing Parties” means any and all Releasing Defendant Parties
7 and Releasing Plaintiff Parties.

8 2.31. “Releasing Defendant Parties” means LICS and its Related Parties.

9 2.32. “Releasing Plaintiff Parties” means jointly and severally, individually
10 and collectively, Lead Plaintiffs, each and every Class Member, and each of their
11 respective Related Parties.

12 2.33. “Settlement Hearing” means the hearing at or after which the Court
13 will make a final decision pursuant to Rule 23 of the Federal Rules of Civil
14 Procedure as to whether the Settlement contained in the Stipulation is fair,
15 reasonable, and adequate, and, therefore, should receive final approval from the
16 Court.

17 2.34. “Taxes” means any taxes payable by or due to the existence of the
18 Settlement Fund. For avoidance of doubt, Taxes does not include any taxes
19 payable by any Party or Class Member.

20 2.35. “Underlying Life Insurance Policy” means the Paragon or Provider
21 life insurance policy purchased by a Class Member that causes such Class
22 Member to fall within the Class. In the event a Class Member owns multiple
23 Underlying Life Insurance Policies, the terms of this settlement shall apply to
24 each such Underlying Life Insurance Policy.

25 2.36. “Unknown Claims” means and includes any and all claims that one
26 or more Releasing Parties does not know or suspect to exist in his, her, or its favor
27

1 at the time of the release of the Released Parties. This includes claims which, if
2 known by him, her, or it, might have affected his, her, or its settlement with and
3 release of the Released Parties, or might have affected his, her, or its decision(s)
4 with respect to the Settlement and the Released Claims, including his, her, or its
5 decision to object or not to object to this Settlement. The Settling Parties
6 expressly acknowledge, and the Releasing Parties by operation of the Judgment
7 shall have acknowledged, and shall be deemed to have expressly waived and
8 relinquished any and all provisions, rights, and benefits conferred by any law of
9 any state or territory of the United States or any other jurisdiction, or principle of
10 common law that is, or is similar, comparable, or equivalent to California Civil
11 Code Section 1542, which provides: “A general release does not extend to claims
12 that the creditor or releasing party does not know or suspect to exist in his or her
13 favor at the time of executing the release and that, if known by him or her, would
14 have materially affected his or her settlement with the debtor or released party.”

15 The Settling Parties and Releasing Parties may hereafter discover facts,
16 legal theories, or authorities in addition to or different from those which he, she,
17 or it now knows or believes to be true with respect to the subject matter of the
18 Released Claims, but the Settling Parties expressly, fully, finally, and forever
19 settle and release, and each other Releasing Party and Released Party shall be
20 deemed to have settled and released, and upon the Effective Date and by operation
21 of the Judgment shall have settled and released, fully, finally, and forever, any and
22 all Released Claims, without regard to the subsequent discovery or existence of
23 such different or additional facts, legal theories, or authorities. The Settling
24 Parties expressly acknowledge, and each other Releasing Party and Released
25 Party by operation of law shall be deemed to have acknowledged, that the
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1 inclusion of “Unknown Claims” in the definition of Released Claims was
2 separately bargained for and a material element of the Settlement.

3 **III. THE SETTLEMENT FUND**

4 3.1. Within fifteen (15) calendar days after entry of the Preliminary
5 Approval Order, LICS shall pay \$1,500,000 into the Escrow Account. This
6 \$1,500,000 together with any interest shall be referred to as the “Settlement
7 Fund.” The residual after payment of Administrative Costs and Taxes shall be
8 referred to as the “Net Settlement Fund.”

9 3.2. Without further order of the Court, Lead Counsel shall be authorized to
10 withdraw from the Escrow Account up to \$150,000 to pay Taxes and/or
11 Administrative Costs actually incurred. Additional amounts may be withdrawn
12 from the Escrow Account pursuant to Court order. Apart from the \$150,000
13 described in this paragraph, and any additional amount ordered by the Court, no
14 additional amount shall be withdrawn from the Escrow Account prior to the
15 Effective Date.

16 3.3. This is not a claims-made settlement, and if all conditions of the
17 Stipulation are satisfied and the Final Judgment becomes Final, no portion of the
18 Settlement Fund will be returned to LICS. LICS, Defense Counsel, and the other
19 Released Parties shall have no responsibility for, involvement in, interest in, or
20 liability whatsoever with respect to the investment or distribution of the
21 Settlement Fund, the determination, administration, or calculation of claims, the
22 payment or withholding of Taxes, or any losses incurred in connection therewith.
23 No Person shall have any claims against Lead Counsel, the Claims Administrator
24 or any other agent designated by Lead Counsel based on distribution
25 determinations or claim rejections made substantially in accordance with this
26 Stipulation and the Settlement contained herein or orders of the Court.

1 **IV. RELIEF TO THE CLASS**

2 4.1. In consideration of the full and final release, settlement, and discharge
3 of all Released Claims, LICS agrees to make available the following relief. For
4 avoidance of doubt, the Term Insurance Relief Option (described in Section 4.A
5 below) and the Cash Relief Option (described in Section 4.C below) are mutually
6 exclusive—a Class Member may not receive both (but may receive neither).

7 **A. Term Insurance Relief Option**

8 4.2. Subject to the provisions set forth herein, LICS shall make available
9 to the Class as a whole up to \$35,000,000 in aggregate face value of term life
10 insurance (which shall be referred to herein as the “Term Insurance Relief,” a
11 term insurance policy issued to a Class Member shall be referred to as a “Term
12 Policy,” and all such policies shall be referred to as the “Term Policies”). The
13 Term Insurance Relief Option is separate from, and is not funded by, the
14 Settlement Fund.

15 4.3. Term Insurance Relief shall be available to all Class Members except
16 for Class Members who meet any of the following criteria: (i) any Class Member
17 who does not elect Term Insurance Relief on a Proof of Claim; (ii) any Class
18 Member who elects Cash Relief, set forth in Section 4.C below; or (iii) any Class
19 Member whose Underlying Life Insurance Policy has an insured that dies prior to
20 the actual issuance of Term Insurance Relief, as described in Section 4.5 of this
21 Stipulation.

22 4.4. The Term Policies shall contain the following terms and limitations:

- 23
- 24 • Three-year term with no ability to extend, convert or renew the Term
25 Policy.
 - 26 • The insured under a Term Policy shall be the insured on a Class
27 Member’s Underlying Life Insurance Policy, with no ability to change
28 the insured.

1 elects to receive Term Insurance Relief, the face value of her Term
2 Policy will be \$2,561. In the event that the total aggregate face value
3 of the Term Policies to be issued calculated using the formula outlined
4 above exceeds \$35,000,000, then the face value of each Term Policy
5 shall instead be based on a pro rata share (by face value of each
6 Underlying Life Insurance Policy electing to receive the Term
7 Insurance Relief Option) of the \$35,000,000, such that the total
8 aggregate face value of Term Policies does not exceed \$35,000,000.

- 9
- 10 • LICS shall be entitled to conform or alter any provision of the Term
11 Policies to obtain or ensure compliance with all laws, regulations, and
12 requirements or requests imposed by any government regulatory
13 agency.

14 4.5. The following procedure and mandatory steps shall govern Class
15 Members' election and receipt of Term Insurance Relief.

- 16 • Step one: Upon the Proof of Claim Mailing Date, the Claims
17 Administrator shall provide Proof of Claim Forms and Term
18 Insurance Applications to Class Members.
- 19 • Step two: During the Proof of Claim Submission Period, Class
20 Members who wish to elect Term Insurance Relief must submit a
21 Proof of Claim electing Term Insurance Relief and submit an
22 accompanying Term Insurance Application.
- 23 • Step three: During the Proof of Claim Cure Period, the Claims
24 Administrator may contact Class Members to attempt to cure any
25 defects in the Proof of Claim and/or Term Insurance Application, but
26 the Claims Administrator may not accept new Proof of Claims or
27 Term Insurance Applications.

- 1 • Step four: Following the conclusion of the Proof of Claim Cure
- 2 Period, the Claims Administrator shall provide to LICS all Term
- 3 Insurance Applications.
- 4 • Step five: LICS shall within a reasonable time thereafter process
- 5 valid, timely and complete Term Insurance Applications and issue
- 6 Term Insurance Relief.

7 4.6. The Settling Parties and the Claims Administrator shall cooperate fully

8 in obtaining from Class Members any information or documentation required by

9 LICS to facilitate issuance of Term Policies, including but not limited to the Term

10 Insurance Application.

11 **B. Surrender Charge Credit**

12 4.7. Pursuant to the terms set forth herein, each Class Member who is

13 eligible based on the conditions specified in Section 4.8 shall have a one-time

14 opportunity to fully surrender an Underlying Life Insurance Policy and obtain a

15 refund of some or all of the surrender charge incurred on the full surrender

16 ("Surrender Charge Credit"). LICS will make available to the Class up to

17 \$1,000,000 in aggregate Surrender Charge Credit. The Surrender Charge Credit

18 shall be paid out of the Net Settlement Fund and shall reduce it accordingly.

19

20 4.8. To be eligible, a Class Member must maintain his or her Underlying

21 Life Insurance Policy in force through the Proof of Claim Cure Period and until

22 the surrender has been processed in accordance with this Settlement. For

23 avoidance of doubt, in the event a death benefit comes due on a Policy prior to the

24 processing of a surrender in accordance with this Settlement, the Surrender

25 Charge Credit will not be given and a death claim will be processed in accordance

26 with the policy terms. Electing Surrender Charge Credit will result in: (i) a full

27 surrender of the Underlying Life Insurance Policy, processed by LICS in

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1 accordance with the terms of the Underlying Life Insurance Policy, and (ii) the
2 payment of a Surrender Charge Credit by the Claims Administrator as described
3 herein.

4 4.9. The amount of Surrender Charge Credit available to each eligible
5 Class Member shall be the lesser of:

6 (i) the amount of surrender charge actually incurred on full surrender
7 of the Class Member's Underlying Life Insurance Policy in accordance with
8 this Stipulation; or

9 (ii) an amount determined by the following formula: (a) first,
10 calculate a percentage (which shall be the same for all eligible Class
11 Members) equal to one million dollars (\$1,000,000) divided by the
12 aggregate premium paid on all SecurePlus Paragon and SecurePlus Provider
13 Policies issued to individuals in California during the Class Period; and then
14 (b) multiply that percentage times the total premiums paid on the eligible
15 Class Member's Underlying Life Insurance Policy that is being surrendered.

16 The percentage is currently estimated to be 0.256%, and will be finalized as part
17 of the settlement administration process. To illustrate the foregoing calculation
18 on a purely hypothetical basis, suppose a class member has paid total premiums of
19 \$20,000 on an Underlying Life Insurance Policy, fully surrenders it in accordance
20 with this Stipulation, and incurs a surrender charge of \$200. In this instance, if
21 the percentage is 0.256%, then the Surrender Charge Credit is \$51.20 (*i.e.*,
22 0.256% of \$20,000).

23 4.10. The following procedure and mandatory steps shall govern Class
24 Members' election and receipt of Surrender Charge Credit.

- 1 • Step one: Upon the Proof of Claim Mailing Date, the Claims
2 Administrator shall provide Proof of Claim Forms and Surrender
3 Forms to Class Members.
- 4 • Step two: During the Proof of Claim Submission Period, Class
5 Members who wish to elect Surrender Charge Credit must submit a
6 Proof of Claim electing Surrender Charge Credit and submit an
7 accompanying Surrender Form, and must maintain their Underlying
8 Life Insurance Policies in force as set forth in Section 4.8 above.
- 9 • Step three: During the Proof of Claim Cure Period, the Claims
10 Administrator may contact Class Members who submitted a Proof of
11 Claim electing Surrender Charge Credit to attempt to cure any defects
12 in the Proof of Claim and/or Surrender Form, but the Claims
13 Administrator may not accept new Proof of Claims or Surrender
14 Forms.
- 15 • Step four: Following the conclusion of the Proof of Claim Cure
16 Period, the Claims Administrator shall provide to LICS all Surrender
17 Forms.
- 18 • Step five: LICS shall, within a reasonable time thereafter, process the
19 full surrenders, and electing Class Members shall incur any applicable
20 surrender charge before the Surrender Charge Credit is distributed.
- 21 • Step six: LICS shall notify the Claims Administrator of the amount of
22 surrender charge imposed on each eligible and electing Class Member
23 and provide the Claims Administrator with the amount of Surrender
24 Charge Credit due to each eligible and electing Class Member.

- Step seven: The Claims Administrator will pay the Surrender Charge Credit due to any such electing Class Members from the Net Settlement Fund.

4.11. The Settling Parties and the Claims Administrator shall cooperate fully in obtaining from Class Members any information or documentation required by LICS to facilitate issuance of the Surrender Charge Credit, including but not limited to the Surrender Form.

C. The Cash Relief Option

4.12. Pursuant to the terms set forth herein, the residual of the Net Settlement Fund after the payment of Surrender Charge Credit described above (the “Residual”) shall be made available as a Cash Relief Option that shall be paid by the Claims Administrator from the Net Settlement Fund.

4.13. The Cash Relief Option shall be available to Class Members that meet all of the following conditions: (i) the Class Member does not elect Term Insurance Relief on a Proof of Claim; and (ii) the Class Member elects Cash Relief Option on a Proof of Claim and completes all steps set forth herein; provided, however, that if a Class Member elects Term Insurance Relief and the insured on the Class Member’s Underlying Life Insurance Policy dies prior to issuance of the Term Insurance Relief, then the Class Member shall receive the Cash Relief Option.

4.14. The Cash Relief shall be a cash payment by the Claims Administrator out of the Net Settlement Fund equal to the lesser of: (a) the total premiums paid on the Underlying Life Insurance Policy owned by the electing Class Member; or (b) a pro rata share (by total premium paid on each Underlying Life Insurance Policy electing to receive the Cash Relief Option) of the Residual.

1 from the Settlement Fund), shall be deemed to have, and by operation of the Final
2 Judgment shall have, fully, finally, and forever released, relinquished, and
3 discharged all Released Claims against the Released Parties and shall have
4 covenanted not to sue the Released Parties with respect to all such Released
5 Claims, and shall be permanently barred and enjoined from asserting,
6 commencing, prosecuting, instituting, assisting, instigating, or in any way
7 participating in the commencement or prosecution of any action or other
8 proceeding, in any forum, asserting any Released Claim, in any capacity, against
9 any of the Released Parties. Nothing contained herein shall, however, release or
10 bar the Releasing Parties from bringing any action or claim to enforce the terms of
11 this Stipulation or the Final Judgment.

12 **VI. ORDER FOR PRELIMINARY APPROVAL AND DISSEMINATION OF**
13 **NOTICE**

14 6.1. As soon as practicable after execution of this Stipulation, Lead
15 Counsel shall submit this Stipulation and its exhibits to the Court and shall apply
16 for preliminary approval of the Settlement set forth in this Stipulation, entry of the
17 Preliminary Approval Order, and approval for the dissemination of the Postcard
18 Notice and posting of the Notice.

19 6.2. LICS shall provide the Claims Administrator with a list of last known
20 e-mail addresses and mailing addresses for Class Members based on information
21 contained in LICS's records that is readily accessible and customarily used to
22 facilitate communications with policyholders, provided, however, that nothing
23 herein shall require LICS to conduct a manual or human review of any records.

24 6.3. Upon entry of the Preliminary Approval Order, the Claims
25 Administrator shall post the Notice and disseminate the Postcard Notice to Class
26 Members, in accordance with the Preliminary Approval Order or other order of
27 the Court.

1 **VII. SETTLEMENT ADMINISTRATION**

2 7.1. Under the supervision of Lead Counsel and the Court, the Claims
3 Administrator shall be responsible for: (i) the dissemination of the Postcard
4 Notice and posting of the Notice; (ii) the receipt, collection and reporting to the
5 parties of any opt outs; (iii) the dissemination of Proof of Claim Forms, Term
6 Insurance Applications, and Surrender Forms, and the collection of Proof of
7 Claim Forms, Term Insurance Applications, and Surrender Forms; (iv)
8 administering any efforts to cure defects in Proof of Claims, Term Insurance
9 Applications, and Surrender Forms during the Proof of Claim Cure Period; (v) the
10 calculation of payments to be made from the Net Settlement Fund; (vi)
11 disseminating payments from the Net Settlement Fund; and (vii) such other
12 related tasks as the Claims Administrator agrees to perform and which Lead
13 Counsel and LICS approve being performed.

14 7.2. The Claims Administrator shall disseminate Proof of Claim Forms to
15 Class Members within a reasonable period after the Effective Date, which shall
16 trigger the beginning of the Proof of Claim Submission Period as specified herein.
17 All subsequent dates and deadlines shall proceed in accordance with the terms and
18 steps outlined in Section 4 above.

19 **VIII. LEAD COUNSEL’S ATTORNEYS’ FEES AND REIMBURSEMENT OF**
20 **EXPENSES**

21 8.1. Lead Plaintiffs shall make, and LICS shall not oppose, an application
22 for reimbursement of fees and costs not to exceed the sum of \$2,500,000 in
23 satisfaction of all attorneys’ fees, costs, or expenses that have been claimed or
24 could be claimed in accordance with the Action (the “Fee and Cost
25 Reimbursement”). In no event shall LICS be required to pay an amount more
26 than \$2,500,000.
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1 8.2. The Fee and Cost Reimbursement shall be contingent upon Court
2 approval, which Lead Counsel shall seek through a motion to be heard at the
3 Settlement Hearing. LICS shall take no position with respect to such motion.

4 8.3. The Fee and Cost Reimbursement shall be paid by LICS to Lead
5 Counsel within five (5) business days after all the following conditions have been
6 satisfied: (i) the Court has approved the Fee and Cost Reimbursement in an
7 amount not exceeding \$2,500,000, notwithstanding the existence of any timely
8 filed objections thereto, or potential appeal therefrom, subject to Lead Counsel's
9 obligation to make appropriate refunds or repayments, pursuant to Section 8.4
10 below; and (ii) Lead Counsel has supplied LICS with reasonable payment
11 instructions and completed W-9 forms.

12 8.4. If the Fee and Cost Reimbursement award is reduced or reversed
13 following payment by LICS, Lead Counsel shall refund it to LICS within thirty
14 (30) calendar days following a Court order providing for such reduction or
15 reversal.

16 8.5. Approval of a Fee and Cost Reimbursement in the amount of
17 \$2,500,000 shall not be a condition of the Settlement, and the Settlement shall
18 proceed if the Court awards a lower amount.

19 **IX. INCENTIVE PAYMENT TO LEAD PLAINTIFFS**

20 9.1. Lead Plaintiffs shall make, and LICS shall not oppose, an application
21 for an incentive award to Lead Plaintiffs in up to the aggregate sum of \$100,000
22 in consideration of their efforts on behalf of the Class (the "Incentive Award"). In
23 no event shall LICS be required to pay an amount more than \$100,000.

24 9.2. The Incentive Award shall be contingent upon Court approval, which
25 Lead Plaintiffs shall seek through a motion to be heard at the Settlement Hearing.
26 LICS shall take no position with respect to such motion.

1 9.3. The Incentive Award shall be paid by LICS to Lead Counsel on behalf
2 of all Lead Plaintiffs within fifteen (15) calendar days after all the following
3 conditions have been satisfied: (i) the Court has approved the Incentive Award in
4 an amount not exceeding \$100,000; (ii) the Effective Date has occurred; and (iii)
5 Lead Counsel has supplied LICS with reasonable payment instructions and
6 completed W-9 forms.

7 9.4. Lead Counsel may allocate the Incentive Award amongst Lead
8 Plaintiffs as they choose (depending, for example, on the extent of each Lead
9 Plaintiff's active involvement in this case), with no involvement by or recourse to
10 LICS, provided that the Incentive Award shall be deemed to satisfy any and all
11 claims of each Lead Plaintiff for an incentive award, regardless of the allocation.

12 9.5. If the Incentive Award is reduced or reversed following payment by
13 LICS, Lead Plaintiffs shall refund it to LICS within ten (10) calendar days
14 following a Court order providing for such reduction or reversal. Lead Plaintiffs
15 shall be joint and severally liable for such repayment, unless they have previously
16 disclosed to LICS how the amount has been allocated, in which case each Lead
17 Plaintiff shall be liable for the amount received.

18 9.6. Approval of an Incentive Award in the amount of \$100,000 shall not
19 be a condition of the Settlement, and the Settlement shall proceed if the Court
20 awards a lower amount or disallows any Incentive Award.

21 **X. CONDITIONS OF SETTLEMENT, EFFECT OF DISAPPROVAL,**
22 **CANCELLATION, OR TERMINATION**

23 10.1. Lead Plaintiffs, on behalf of the Class, and LICS shall each have the
24 right to terminate the Settlement and Stipulation by providing written notice of
25 his, her, or its election to do so ("Termination Notice") to all other Settling Parties
26 within seven (7) business days of:
27
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- 1 (i) entry of a Court order declining to enter the Preliminary Approval
- 2 Order;
- 3 (ii) entry of a Court order refusing to approve this Stipulation;
- 4 (iii) entry of a Court order declining to enter the Final Judgment;
- 5 (iv) entry of a Court order refusing to dismiss the Action with prejudice;
- 6 (v) entry of an order by which the Final Judgment is modified or reversed
- 7 by any appeal or review; or
- 8 (vi) failure on the part of any Settling Party to abide, in material respect,
- 9 with the terms of this Stipulation.

10 10.2. If the Settlement Fund amount is not paid into the Escrow Account in
11 accordance with Section 3.1 of this Stipulation, then Lead Plaintiffs, on behalf of
12 the Class, shall have the right to: (a) terminate the Settlement and Stipulation by
13 providing written notice to LICS at any time prior to the Court's entry of the Final
14 Judgment; or (b) enforce the terms of the Settlement and this Stipulation and seek
15 a judgment effecting the terms herein.

16 10.3. If, prior to Final Judgment, Persons who otherwise would be Class
17 Members have filed with the Court valid and timely requests for exclusion from
18 the Class in accordance with the provisions of the Preliminary Approval Order
19 and the Notice given pursuant thereto ("Requests for Exclusion"), or requests for
20 exclusion that are otherwise accepted by the Court, and such Persons in the
21 aggregate paid total premiums on Underlying Life Insurance Policies in an
22 amount greater than the amount specified in a separate Supplemental Agreement
23 between the Settling Parties ("Supplemental Agreement"), then LICS shall have,
24 in its sole and absolute discretion, the option to terminate this Stipulation and
25 Settlement in accordance with the requirements and procedures set forth in the
26 Supplemental Agreement (the "Supplemental Termination Option"). The
27

1 Supplemental Agreement shall not be filed with the Court unless and until a
2 dispute among the Settling Parties concerning its interpretation or application
3 arises, or if the Court otherwise requests such filing.

4 10.4. The Effective Date of this Stipulation (“Effective Date”) shall not
5 occur unless and until each of the following events occurs, and it shall be the date
6 upon which the last in time of the following events occurs:

- 7 (a) No Settling Party has exercised a termination option as provided in
8 this Section 10;
- 9 (b) The Court has entered the Preliminary Approval Order;
- 10 (c) The Escrow Account has been funded in accordance with Section 3.1;
- 11 (d) The Court has approved the Settlement, following notice to the Class
12 and the Settlement Hearing, and has entered the Final Judgment;
- 13 (e) The Final Judgment has become Final; and
- 14 (f) The Action has been dismissed with prejudice.

15 10.5. None of the Settling Parties, or any of them, shall have any obligation
16 whatsoever to proceed under any terms other than those provided for and agreed
17 herein. If any Settling Party engages in a material breach of the terms hereof, any
18 other Settling Party, provided that it is in substantial compliance with the terms of
19 this Stipulation, may terminate this Stipulation on notice to all the Settling Parties.

20 10.6. In the event the Stipulation shall terminate, or be canceled, or shall
21 not become effective for any reason, the Settling Parties shall be restored to their
22 respective positions in the Action immediately prior to the execution of this
23 Stipulation, and they shall proceed in all respects as if the Stipulation had not been
24 executed and the related orders had not been entered, and in that event all of their
25 respective claims and defenses as to any issue in the Action shall be preserved
26 without prejudice.

1 10.7. In the event that the Stipulation is not approved by the Court or the
2 Settlement set forth in this Stipulation is terminated or fails to become effective in
3 accordance with its terms, the terms and provisions of this Stipulation, except as
4 otherwise provided herein, shall have no further force and effect with respect to
5 the Settling Parties and shall not be used in the Action or in any other proceeding
6 for any purpose, and any judgment or order entered by the Court in accordance
7 with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*.

8 10.8. In the event the Stipulation shall be terminated, or be canceled, or
9 shall not become effective for any reason, within ten (10) calendar days after the
10 occurrence of such event, the Settlement Fund (less Taxes already paid and any
11 Administrative Costs which have either been disbursed or are determined to be
12 chargeable) shall be refunded by the Escrow Agent to LICS. At the request of
13 LICS, the Escrow Agent or their designee shall apply for any tax refund owed on
14 the Settlement Fund and pay the proceeds, after deduction of any fees or expenses
15 incurred in connection with such application(s) for refund, to LICS.

16 10.9. No order of the Court or modification or reversal on appeal of any
17 order of the Court concerning the Fee and Cost Reimbursement or Incentive
18 Award shall constitute grounds for cancellation or termination of the Stipulation.

19 **XI. NO ADMISSION OF LIABILITY OR WRONGDOING**

20 11.1. The Settling Parties covenant and agree that neither this Stipulation,
21 nor the fact nor any terms of the Settlement, nor any communication relating
22 thereto, nor the Supplemental Agreement, is evidence, or an admission,
23 presumption, or concession by any Settling Party or their counsel, any Class
24 Member, or any of the Released Parties of any fault, liability, or wrongdoing
25 whatsoever, as to any facts or claims alleged or that have been or could have been
26 asserted in the Action, or in any other actions or proceedings, or as to the validity
27 or merit of any of the claims or defenses alleged or that have been or could have
28

1 been asserted in any such action or proceeding. This Stipulation is not a finding
2 or evidence of the validity or invalidity of any claims or defenses in the Action,
3 any wrongdoing by any Settling Party, Class Member, or any of the Released
4 Parties, or any damages or injury to any Settling Party, Class Member, or any
5 Released Parties. Neither this Stipulation, nor the Supplemental Agreement, nor
6 any of the terms and provisions of this Stipulation or the Supplemental
7 Agreement, nor any of the negotiations or proceedings in connection therewith,
8 nor any of the documents or statements referred to herein or therein, nor the
9 Settlement, nor the fact of the Settlement, nor the Settlement proceedings, nor any
10 statement in connection therewith, (a) shall (i) be argued to be, used or construed
11 as, offered or received in evidence as, or otherwise constitute an admission,
12 concession, presumption, proof, evidence, or a finding of any liability, fault,
13 wrongdoing, injury or damages, or of any wrongful conduct, acts or omissions on
14 the part of any Released Party, or of any infirmity of any defense, or of any
15 damages to the Lead Plaintiffs or any other Class Member, or (ii) otherwise be
16 used to create or give rise to any inference or presumption against any of the
17 Released Parties concerning any fact or any purported liability, fault, or
18 wrongdoing of the Released Parties or any injury or damages to any person or
19 entity; or (b) shall otherwise be admissible, referred to, or used in any proceeding
20 of any nature, for any purpose whatsoever; provided, however, that the Stipulation
21 or the Supplemental Agreement or the Final Judgment may be introduced in any
22 proceeding, whether in the Court or otherwise, as may be necessary to enforce the
23 Settlement or Supplemental Agreement or Final Judgment, or as otherwise
24 required by law.

25 **XII. MISCELLANEOUS PROVISIONS**

26 12.1. Except in the event of termination pursuant to Section 10 of this
27 Stipulation and the Settling Parties' Supplemental Agreement, the Settling Parties
28

1 shall take all actions necessary to consummate this agreement; and agree to
2 cooperate with each other to the extent reasonably necessary to effectuate and
3 implement all terms and conditions of the Stipulation.

4 12.2. The Settling Parties and their counsel represent that they will not
5 encourage or otherwise influence (or seek to influence) any Class Members to
6 request exclusion from, or object to, the Settlement.

7 12.3. Each of the attorneys executing this Stipulation, any of its exhibits, or
8 any related settlement documents on behalf of any Settling Party hereto hereby
9 warrants and represents that he or she has been duly empowered and authorized to
10 do so by the Settling Party he or she represents.

11 12.4. Lead Plaintiffs and Lead Counsel represent and warrant that none of
12 Lead Plaintiffs' claims or causes of action against LICS in the Action, or referred
13 to in this Stipulation, or that could have been alleged against one or more LICS in
14 the Action have been assigned, encumbered, or in any manner transferred in
15 whole or in part.

16 12.5. This Stipulation, together with the Supplemental Agreement,
17 constitutes the entire agreement between the Settling Parties related to the
18 Settlement and supersedes any prior agreements. No representations, warranties,
19 promises, inducements, or other statements have been made to or relied upon by
20 any Settling Party concerning this Stipulation, other than the representations,
21 warranties, and covenants expressly set forth herein and in the Supplemental
22 Agreement. Lead Plaintiffs, on behalf of themselves and the Class, acknowledge
23 and agree that any and all other representations and warranties of any kind or
24 nature, express or implied, are specifically disclaimed and were not relied upon in
25 connection with this Stipulation. In entering this Stipulation, the Settling Parties
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1 relied solely upon their own knowledge and investigation. Except as otherwise
2 provided herein, each Settling Party shall bear its own costs.

3 12.6. This Stipulation may not be modified or amended, nor may any of its
4 provisions be waived, except by a writing signed by all Settling Parties or their
5 counsel or their respective successors in interest.

6 12.7. This Stipulation shall be binding upon, and shall inure to the benefit
7 of, the Settling Parties and their respective agents, successors, executors, heirs,
8 and assigns.

9 12.8. The Released Parties who do not appear on the signature lines below,
10 are acknowledged and agreed to be third party beneficiaries of this Stipulation and
11 Settlement.

12 12.9. The headings herein are used for the purpose of convenience only and
13 are not meant to have legal effect.

14 12.10. This Stipulation may be executed in any number of counterparts by
15 any of the signatories hereto and the transmission of an original signature page
16 electronically (including by facsimile or portable document format) shall
17 constitute valid execution of the Stipulation as if all signatories hereto had
18 executed the same document. Copies of this Stipulation executed in counterpart
19 shall constitute one agreement.

20 12.11. This Stipulation, the Settlement, the Supplemental Agreement, and
21 any and all disputes arising out of or relating in any way to this Stipulation,
22 whether in contract, tort, or otherwise, shall be governed by and construed in
23 accordance with the laws of California without regard to conflict of laws
24 principles.

25 12.12. The Court shall retain jurisdiction with respect to the
26 implementation and enforcement of the terms of this Stipulation, and all parties
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1 hereto submit to the jurisdiction of the Court for purposes of implementing and
2 enforcing the Settlement embodied in this Stipulation. The Court shall retain
3 exclusive jurisdiction to enforce all injunctions set forth herein.

4 12.13. The Stipulation shall not be construed more strictly against one
5 Party than another merely by virtue of the fact that it, or any part of it, may have
6 been prepared by counsel for one of the Settling Parties, it being recognized that it
7 is the result of arm's-length negotiations between the Settling Parties, and all
8 Settling Parties have contributed substantially and materially to the preparation of
9 this Stipulation.

10 12.14. Unless prohibited by law, Lead Plaintiffs, Lead Counsel, LICS,
11 Defense Counsel, and the attorneys, staff, experts, and consultants assisting them
12 in this Action agree that (a) they will not intentionally assist or cooperate with any
13 person or entity in the pursuit of legal action related to the subject matter of this
14 Action against the Released Parties, and (b) they will not intentionally assist or
15 cooperate with any person or entity seeking to publicly defame the Released
16 Parties with respect to any matter relating to the subject matter of this Action.

17 12.15. All agreements by, between, or among the Settling Parties, their
18 counsel, and their other advisors as to the confidentiality of information
19 exchanged between or among them shall remain in full force and effect, and shall
20 survive the execution and any termination of this Stipulation and the final
21 consummation of the Settlement, if finally consummated, without regard to any of
22 the conditions of the Settlement.

23 12.16. The Settling Parties shall not assert or pursue any action, claim, or
24 rights that any party violated any provision of Rule 11 of the Federal Rules of
25 Civil Procedure in connection with this Action, the Settlement, the Stipulation, or
26 the Supplemental Agreement. The Settling Parties agree that the Action was
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1 resolved in good faith following arm's-length bargaining, in full compliance with
2 applicable requirements of Rule 11 of the Federal Rules of Civil Procedure.

3 12.17. Any failure by any of the Settling Parties to insist upon the strict
4 performance by any other Settling Party of any of the provisions of the Stipulation
5 shall not be deemed a waiver of any of the provisions hereof, and such Settling
6 Party, notwithstanding such failure, shall have the right thereafter to insist upon
7 the strict performance of any and all of the provisions of this Stipulation to be
8 performed by the other Settling Parties to this Stipulation.

9 12.18. The waiver, express or implied, by any Settling Party of any breach
10 or default by any other Settling Party in the performance of such Settling Party of
11 its obligations under the Stipulation shall not be deemed or construed to be a
12 waiver of any other breach, whether prior, subsequent, or contemporaneous, under
13 this Stipulation.

14 12.19. LICS shall be responsible for complying with the requirements of
15 Class Action Fairness Act ("CAFA") pertaining to notification of appropriate
16 governmental officials.

17 12.20. The Settling Parties reserve the right (but not obligation), subject to
18 the Court's approval, to agree to any reasonable extensions of time that might be
19 necessary to carry out any of the provisions of this Stipulation.

20 12.21. Each Lead Plaintiff warrants and agrees that he or she has had
21 ample opportunity to review, comment on, and approve all documentation in
22 connection with this Settlement, has consulted with counsel, and enters into this
23 Settlement voluntarily.

1 IN WITNESS WHEREOF, the Settling Parties have executed this
2 Stipulation by their undersigned counsel effective as of the date set forth below.

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5 Dated: February 5, 2021
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1 February 5, 2021

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8 February 5, 2021

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Counsel for Defendant

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA

**NOTICE OF CLASS ACTION,
PROPOSED SETTLEMENT, AND SETTLEMENT HEARING**

If you were or are a California resident who purchased one or both of the following policies issued by Life Insurance Company of the Southwest (“LICS”):

- **SecurePlus Provider** universal life insurance policy
- **SecurePlus Paragon** universal life insurance policy

a class action lawsuit may affect your rights.

Please read this Notice carefully.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

- You have been identified as a potential member of a Class of Plaintiffs in a class action lawsuit (“this case,” “the Lawsuit,” or “the Action”) pending before the United States District Court for the Central District of California in Santa Ana, California, known as *Walker, et al. v. Life Insurance Company of the Southwest*, Case No. CV-10-9198-JVS-JDE.
- Current and former California residents who purchased SecurePlus Provider Policies or SecurePlus Paragon Policies (“the Policies”) have sued LICS, alleging that LICS violated California’s Unfair Competition Law in connection with the provisions of California law that govern life insurance illustrations. The United States District Court for the Central District of California (“the Court”) has ruled that the claims may proceed as a class action. LICS denies that it has violated the law or that it has harmed policyholders in any way.
- The primary purpose of this Notice is to inform you of the proposed settlement of the Lawsuit (“the Settlement”). The Court directed that this Notice be made available to you because you have a right to know about the Settlement, and your rights and options under the Settlement, before the Court decides whether to approve it. This Notice explains the Lawsuit, the Settlement, your legal rights under the Settlement, what settlement benefits are included in the Settlement, who is eligible for the proposed settlement benefits, and how the settlement benefits can be obtained if the Court approves the Settlement.
- ***If your insurance policy is in force, the Lawsuit has not changed its terms, and all contractual guarantees remain in place.*** If you have any questions about your insurance policy that are unrelated to this Notice or this Lawsuit, you should contact LICS or your insurance agent as usual. LICS contact information appears at the end of this Notice.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING IN RESPONSE TO THIS NOTICE	By doing nothing in response to this Notice, if you fall within the class definition (described below), you will remain a member of the Class and remain eligible to share in the settlement benefits. However, you will also give up the right to file your own lawsuit against LICS regarding the issues raised in this Lawsuit.
OBTAINING THE CASH RELIEF OPTION	If the Court approves the Settlement, the amount that is left after the Surrender Charge Credits are distributed and Administrative Costs and Taxes are paid, plus an additional \$500,000, will be made available to certain Class Members as a Cash Relief Option. The amount of Cash Relief available to each eligible Class Member will be the lesser of: (1) the total premiums paid on the Underlying Life Insurance Policy owned by the electing Class Member; or (2) a pro rata share (by total premium paid on each Underlying Life Insurance Policy electing to receive the Cash Relief Option) of the amount that is left in the Settlement Fund. In order to receive the Cash Relief Option, a Class Member must complete and submit a Proof of Claim Form, as described more fully below under question 11.
OBTAINING THE SURRENDER CHARGE CREDIT	If the Court approves the Settlement, LICS will make available to the Class a one-time opportunity to fully surrender an in-force Underlying Life Insurance Policy and obtain a refund of some or all of the surrender charge incurred on the full surrender of the Policy. LICS will make available to the Class up to \$1,000,000 in aggregate Surrender Charge Credit from a Settlement Fund. The amount of Surrender Charge Credit available to each eligible Class Member will be the lesser of: (1) the amount of surrender charge actually incurred on full surrender of the Class Member's Underlying Life Insurance Policy; or (2) a percentage of the total premiums paid on the Class Member's Underlying Life Insurance Policy, as described more fully below under question 12. In order to receive the Surrender Charge Credit, a Class Member must complete and submit a Proof of Claim Form and Surrender Form, as described more fully below under question 12.

<p>OBTAINING THE TERM INSURANCE RELIEF</p>	<p>If the Court approves the Settlement, LICS will make available to the Class as a whole up to \$35,000,000 in aggregate face value of term life insurance. (In other words, when the face amount of insurance made available to each class member is added up, the total amount combined will be up to \$35,000,000 in face value). Each Class Member electing Term Insurance Relief will receive a three-year term policy. The face value of each Term Policy will be a percentage of the face value of the Underlying Life Insurance Policy owned by the Class Member receiving the Term Policy, as described more fully below under question 13. In order to receive the Term Insurance Relief, a Class Member must complete and submit a Proof of Claim Form and Term Insurance Application, as described more fully below under question 13.</p>
<p>EXCLUDING YOURSELF</p>	<p>You may exclude yourself from the Settlement. If you exclude yourself, you will receive no settlement benefits whatsoever. Excluding yourself is the only option that allows you ever to be part of any other lawsuit against LICS concerning the claims and legal issues covered and resolved by the Settlement. All exclusion requests must be submitted by U.S. mail to the address listed below under question 18 of this Notice – postmarked no later than _____, 2021 {insert date that is 60 days after date of Notice appearing on last page}.</p>
<p>OBJECTING TO THE SETTLEMENT</p>	<p>If you do not like the Settlement and you do not exclude yourself, you may write to the Court to object and explain why. All objections must be submitted by U.S. mail to the addresses listed below under question 25 of this Notice, postmarked no later than _____, 2021 {insert date that is 60 days after date of Notice appearing on last page}. If you submit a written objection, the Court will take it into account in considering whether to approve the Settlement.</p>
<p>SPEAKING AT THE SETTLEMENT HEARING</p>	<p>You may ask to speak in Court about the fairness of the Settlement at the Settlement Hearing set for _____, 2021, but ONLY if you do not exclude yourself from the Settlement AND you properly and timely submit a written objection and a notice of intention to appear, as instructed under questions 25 and 29 of this Notice</p>

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice. To be excluded from the Lawsuit, you must act promptly by mailing a written request to exclude yourself that is postmarked no later than [DATE] **{insert date that is 60 days after date of Notice appearing on last page}**. For a complete description of the terms and conditions of the Settlement, you should read the agreement called the Stipulation and Agreement of Settlement

(“Stipulation of Settlement”), which was filed with the Court and is available at the following website: www.lswclassaction.com. A copy of the Stipulation of Settlement also can be obtained by contacting the Claims Administrator at the address and toll-free telephone numbers listed below under question 32 of this Notice.

- The Court in charge of this case still has to decide whether to approve the Settlement. **Settlement benefits will be available only if and after the Court approves the Settlement.** Please be patient.
- **Any questions?** Read on and visit www.lswclassaction.com.

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BASIC INFORMATION

1. Why did I get this Notice?

You are listed in LICS's records as a current or former owner of a SecurePlus Provider and/or SecurePlus Paragon indexed universal life insurance Policy, who resided in California when the Policy was issued, and who obtained the Policy between September 24, 2006 and April 27, 2014 ("the Class Period").

The Court directed the parties to make this Notice available to you because you have a right to know about the Settlement, and about your rights and options under the Settlement, before the Court decides whether to approve it. This Notice explains the Lawsuit, the Settlement, your legal rights, and your options.

The Court in charge of the case is the United States District Court for the Central District of California in Santa Ana, California, and the case is known as *Walker, et al. v. Life Insurance Company of the Southwest*, Case No. CV-10-9198-JVS-JDE.

If the Court approves the Settlement, LICS will provide the settlement relief benefits provided for in the approved Settlement.

2. What is this Lawsuit about?

This Lawsuit relates to illustrations used in the sale of life insurance policies issued by LICS, known as the SecurePlus Provider Policy and the SecurePlus Paragon Policy which are indexed universal life insurance policies. In this Lawsuit, the Plaintiffs alleged, on behalf of the Class, that illustrations issued by LICS at or before the time of policy application do not comply with the California Insurance Code and that they meet other requirements for relief under California's Unfair Competition Law. Specifically, Plaintiffs assert that Provider and Paragon illustrations violated section 10509.956(b)(4) of the California Insurance Code because the terms "Guaranteed Values at 2.00%" and "Guaranteed Values at 2.50%" were not defined. Plaintiffs assert that this violation was important to policyholders because Plaintiffs allege that the illustrations do not disclose that the guaranteed interest rates are not paid each year, but are instead retrospectively calculated average rates. Plaintiffs also assert that Paragon illustrations violated section 10509.956(e)(3) of the California Insurance Code because they reflected the elimination of a Monthly Percent of Accumulated Value Charge after ten policy years, without that planned elimination being described in the life insurance Policies. Plaintiffs assert that this violation is important because Plaintiffs allege that it increases the Policy values that LICS showed in its Paragon illustrations without a corresponding guarantee that the planned elimination would in fact occur. Plaintiffs claim that these violations entitle the Class to relief.

LICS disputes all of these claims and denies that it did anything wrong. LICS contends that it has not violated the Unfair Competition Law, that its pre-application illustrations comply with the law, and that no policyholders were harmed by any asserted violations. LICS believes that the terms and features of its Policies are fully disclosed and set forth in a variety of materials and settings, including in conversations between policyholders and their agents or brokers and in written materials (including the Policy itself, marketing materials, buyers' guides, and illustrations).

3. What is a class action and who is involved?

In a class action lawsuit, one or more persons, called Class Representatives (in this case Joyce Walker, Kim Bruce Howlett, Muriel Spooner, Taline Bedelian, and Oscar Guevara), sue on behalf of people (called “Class Members”) who have similar claims. The Class Representatives who sued—and all of the Class Members like them—are called Plaintiffs. The company they sued (in this case LICS) is called a Defendant. One court resolves the issues for all Class Members, except for those members who ask to be excluded from the Class.

4. Why is this a class action?

United States District Judge James V. Selna of the United States District Court for the Central District of California (“Judge Selna” or “the Court”) is in charge of this case, and he has certified a class action. The Court decided that this Lawsuit can be a class action because it meets the requirements of Federal Rule of Civil Procedure 23, which governs class actions in federal courts. Specifically, the Court found that:

- LICS issued SecurePlus Paragon or SecurePlus Provider Policies to individuals in California between September 24, 2006 and April 27, 2014;
- There are legal questions and facts that are common to each of these individuals;
- The claims of the Class Representatives are typical of the claims of the rest of the Class;
- The Class Representatives and the lawyers representing the Class will fairly and adequately represent the Class’s interests;
- The common legal questions and facts predominate over any questions that affect only individuals; and
- This class action will be more efficient than having many individual lawsuits.

5. Why is there a settlement?

The Court did not decide in favor of the Plaintiffs or the Defendant. Instead, both sides agreed to a settlement before the case proceeded to a trial. The Class Representatives and their attorneys think the Settlement is best for all members of the Class.

WHO IS COVERED BY THE SETTLEMENT

To determine if you can get any settlement benefits from this settlement if the Court approves it, you first have to establish that you are a member of the Class.

6. Am I part of this Class?

The Class consists of all persons who purchased a SecurePlus Provider Policy or SecurePlus Paragon Policy from Life Insurance Company of the Southwest that was issued between September 24, 2006 and April 27, 2014, who resided in California at the time the Policy was issued, and who received an illustration on or before the date of policy application.

The Paragon or Provider Policy purchased by a Class Member that causes such Class Member to fall within the Class is referred to in this Notice as the “Underlying Life Insurance Policy.” In the event a Class Member owns multiple Underlying Life Insurance Policies, the terms of the Settlement will apply to each such Underlying Life Insurance Policy.

7. Are any policyholders excluded from the Class?

The Class includes only policyholders who received an illustration *on or before* the date of policy application. Policyholders who only received an illustration *after* the date of policy application are not in the Class.

Additionally, the following persons are not included in the Class: past or present officers, directors, agents, brokers, or employees of LICS, or its parent or subsidiary corporations; any agents, brokers, or others who sold the SecurePlus Provider or SecurePlus Paragon Policies for LICS, or for its parent or subsidiary corporations; any entity in which LICS has a controlling interest; the affiliates, legal representatives, attorneys or assigns of LICS or its parent or subsidiary corporations; any judge, justice, or judicial officer presiding over this matter and the staff and immediate family of any such judge, justice, or judicial officer; Persons who previously had settled disputes with LICS with respect to their SecurePlus Provider or SecurePlus Paragon Policies and signed releases; and any Person who submits a valid request to be excluded from the Class.

8. Do the estates or heirs of deceased policyholders have rights in this Lawsuit?

The estates or heirs of deceased policyholders may have the same rights as the deceased policyholder would have if still living, including the right to share in the settlement benefits obtained on behalf of the Class.

9. What if I am still not sure if I am included in the Settlement?

If you are still not sure whether you are included in the Settlement, you can ask for free help. You can call the Claims Administrator, Epiq Class Action & Claims Solutions, Inc., toll-free at 1-877-432-3865, send an e-mail to info@lswclassaction.com, or write to Walker v. LICS Class Action, c/o Epiq Class Action & Claims Solutions, Inc., P.O. Box 5053, Portland, OR 97208-5053.

THE SETTLEMENT BENEFITS – WHAT CAN YOU GET

10. What benefits does the Settlement generally provide?

LICS has agreed as part of the Settlement to guarantee that it will eliminate the Monthly Percent of Accumulated Value Charge on Class Members' in-force Paragon Policies after each Policy has been in force for ten policy years. LICS has also already made certain changes to the contents of pre-application illustrations in order to address Plaintiffs' claims.

Additionally, LICS has agreed to make available three additional benefits: (1) a Cash Relief Option; (2) a Surrender Charge Credit; and (3) Term Insurance Relief. Details about each benefit are below. Please note that a Class Member may not receive all three benefits. Instead, each benefit has particular eligibility criteria that a Class Member must meet, and no Class Member may receive both the Cash Relief Option and Term Insurance Relief. Whether a Class Member is eligible to receive a particular settlement benefit may depend of the status of the Class Member's Underlying Life Insurance Policy, as explained below.

None of these benefits will be available to any Class Member who excludes himself or herself from the Settlement, or if the Court does not give final approval to the Settlement.

11. What is the Cash Relief Option, and how can I obtain it?

If the Court approves the Settlement, the amount that is left in the Settlement Fund after the payment of Surrender Charge Credits, Administrative Costs, and Taxes (the "Residual"), as described in the Stipulation of Settlement, will be made available to Class Members as a Cash Relief Option. If a Class Member elects to receive Term Insurance Relief and the insured on the Class Member's Underlying Life Insurance Policy dies prior to issuance of the Term Insurance Relief, then the Class Member shall receive the Cash Relief Option.

The amount of Cash Relief available to each eligible Class Member will be the lesser of: (1) the total premiums paid on the Underlying Life Insurance Policy owned by the electing Class Member; or (2) a pro rata share (by total premium paid on each Underlying Life Insurance Policy electing to receive the Cash Relief Option) of the Residual.

If the Court approves the Settlement, the Claims Administrator will disseminate to all Class Members (except those individuals who exclude themselves from the Class, as described below) a Proof of Claim Form. In order to receive the Cash Relief Option, a Class Member must submit to the Claims Administrator, within 60 days of receipt, a completed Proof of Claim Form electing the Cash Relief Option. The Claims Administrator will calculate the amount of Cash Relief due to each eligible and electing Class Member after calculating the Residual (*i.e.*, following the payment of Surrender Charge Credits, Administrative Costs, and Taxes). The Claims Administrator will then distribute a check to each electing Class Member in the amount of the Cash Relief.

12. What is the Surrender Charge Credit, and how can I obtain it?

If the Court approves the Settlement, LICS will make available to the Class a one-time opportunity to fully surrender an in-force Underlying Life Insurance Policy and obtain a refund of some or all of the surrender charge incurred on the full surrender of the policy. LICS will make available to the Class up to \$1,000,000 in aggregate Surrender Charge Credit from a Settlement Fund.

The amount of Surrender Charge Credit available to each eligible Class Member will be the lesser of: (1) the amount of surrender charge actually incurred on full surrender of the Class Member's Underlying Life Insurance Policy in accordance with the Stipulation of Settlement; or (2) an amount determined by the following formula: (a) first, calculate a percentage (which will be the same for all eligible Class Members) equal to one million dollars (\$1,000,000) divided by the aggregate premium paid on all SecurePlus Paragon and SecurePlus Provider Policies issued to individuals in California during the Class Period, and then (b) multiply that percentage times the total premiums paid on the eligible Class Member's Underlying Life Insurance Policy that is being surrendered. The percentage is currently estimated to be 0.256%, and will be finalized as part of the settlement administration process. To illustrate the foregoing calculation on a purely hypothetical basis, suppose a Class Member has paid total premiums of \$20,000 on an Underlying Life Insurance Policy, fully surrenders it in accordance with the Stipulation of Settlement, and incurs a surrender charge of \$200. In this instance, if the percentage is 0.256%, then the Surrender Charge Credit is \$51.20 (*i.e.*, 0.256% of \$20,000).

If the Court approves the Settlement, the Claims Administrator will disseminate to all Class Members (except those individuals who exclude themselves from the Class, as described below) a Proof of Claim Form. In order to receive the Surrender Charge Credit, a Class Member must submit to the Claims Administrator, within 60 days of receipt, a completed Proof of Claim Form electing the Surrender Charge Credit ***and an accompanying Surrender Form***, and must maintain his or her Underlying Life Insurance Policy in force until the surrender has been processed in accordance with the Settlement. The Claims Administrator will provide to LICS all valid, timely, and complete Surrender Forms. LICS will, within a reasonable time thereafter, process the full surrenders and notify the Claims Administrator of the amount of surrender charge imposed on each eligible and electing Class Member, ***and electing Class Members will incur any applicable surrender charge before the Surrender Charge Credit is distributed***. The Claims Administrator will then distribute a check to each electing Class Member in the amount of the Surrender Charge Credit. In the event a death benefit comes due on an Underlying Life Insurance Policy prior to the processing of a surrender in accordance with the Settlement, the Surrender Charge Credit will not be given and a death claim will be processed in accordance with the Policy terms. Please note that, separate and apart from the Surrender Charge Credit, Class Members retain all contractual rights to surrender their Policies at any time in accordance with policy terms.

13. What is the Term Insurance Relief, and how can I obtain it?

If the Court approves the Settlement, Class Members will have the opportunity to receive from LICS at no cost a term life insurance policy. This is referred to in this Notice as "Term Insurance Relief." Specifically, LICS will make available to the Class as a whole up to \$35,000,000 in aggregate face value of term life insurance. Term Insurance Relief will be available to all Class Members ***unless the insured on a Class Member's Underlying Life Insurance Policy has died prior to the actual issuance of Term Insurance Relief***. The Term Policies will contain the following terms and limitations:

- Three-year term with no ability to extend, convert or renew the Term Policy.
- The insured under a Term Policy shall be the insured on a Class Member's Underlying Life Insurance Policy, with no ability to change the insured.
- The owner or owners shall be the same owner or owners as are, as of the time of issuance of the Term Policy, reflected on the Underlying Life Insurance Policy. In the case of a terminated Underlying Life Insurance Policy, the owner or owners of the Term Policy shall be the same as the owner or owners of the Underlying Life Insurance Policy as of the time of such termination.
- The beneficiary or beneficiaries shall be identified on a Term Insurance Application that each Class Member electing Term Insurance Relief must complete and submit to the Claims Administrator. Change of beneficiary shall be allowed in accordance with the terms of the Term Policies.
- The Term Policies shall not include any benefits other than a death benefit, and (without limitation) shall not include accelerated death benefit riders, other riders, or any ability to take loans or cash withdrawals.
- LICS shall be entitled to conform or alter any provision of the Term Policies to obtain or ensure compliance with all laws, regulations, and requirements or requests imposed by any government regulatory agency.

The face value of each Term Policy will be a percentage of the face value of the Underlying Life Insurance Policy owned by the Class Member receiving the Term Policy. The percentage, which will be the same for all Term Policies, is equal to \$35,000,000 divided by the product of: (i) the aggregate face value of all SecurePlus Paragon and SecurePlus Provider Policies issued to individuals in California during the Class Period (other than Policies that have paid a death claim prior to the date on which the Stipulation of Settlement was executed), multiplied by (ii) 0.75. The percentage is currently estimated to be 0.51%, and will be finalized as part of the settlement administration process. To illustrate the calculation on a purely hypothetical basis, if a Class Member has an Underlying Life Insurance Policy with a face value of \$500,000 and the percentage is 0.51%, if the Class Member elects to receive Term Insurance Relief, the face value of her Term Policy will be \$2,561. In the event that the total aggregate face value of the Term Policies to be issued calculated using the formula outlined above exceeds \$35,000,000, then the face value of each Term Policy shall instead be based on a pro rata share (by face value of each Underlying Life Insurance Policy electing to receive the Term Insurance Relief Option) of the \$35,000,000, such that the total aggregate face value of Term Policies does not exceed \$35,000,000.

If the Court approves the Settlement, the Claims Administrator will disseminate to all Class Members (except those individuals who exclude themselves from the Class, as described below) a Proof of Claim Form. In order to receive the Term Insurance Relief, a Class Member must submit to the Claims Administrator, within 60 days of receipt, a completed Proof of Claim Form electing the Term Insurance Relief and ***an accompanying Term Insurance Application***. The Claims Administrator will provide to LICS all valid, timely, and complete Term Insurance Applications. LICS will, within a reasonable time thereafter, process the Term Insurance Applications and issue the Term Insurance Relief.

14. What are the other settlement benefits?

The Settlement requires LICS to guarantee that it will continue to eliminate the Monthly Percent of Accumulated Value Charge (“MPAVC”) on each Class Member’s Underlying Life Insurance Policy, ***if that Policy is a Paragon Policy***, once the Policy has been in force for ten policy years. During the course of this Lawsuit, LICS also made certain updates to its pre-application life insurance illustrations, including but not limited to adding definitions of “Current Basis A” and “Current Basis B,” and adding clarifying text pertaining to the illustration of the elimination of the MPAVC. LICS acknowledges that these changes were made as a result of this Lawsuit.

15. When would I get my settlement benefit?

The Court will hold a hearing on [REDACTED], 2021, called the Settlement Hearing, to decide whether to approve the Settlement. If the Court approves the Settlement, the Claims Administrator will disseminate to all Class Members (except those individuals who exclude themselves from the Class, as described below) a Proof of Claim Form. Class Members must complete and submit a Proof of Claim Form to the Claims Administrator within 60 days of receipt in order to receive the Cash Relief Option, Surrender Charge Credit, and/or Term Insurance Relief provided for in the approved Settlement. Class Members who elect to receive the Term Insurance Relief must also submit an accompanying Term Insurance Application with their Proof of Claim Form. Class Members who elect to receive the Surrender Charge Credit must also submit an accompanying Surrender Form with their Proof of Claim Form. Once all Proof of Claims, Term Insurance Applications, and Surrender Forms have been submitted, LICS will issue Term Insurance Policies and process full surrenders, as applicable. The Claims Administrator will then distribute checks to Class Members to provide the Surrender Charge Credit or Cash Relief Option, as applicable.

If the Court’s approval of the Settlement is appealed, when any and all appeals will finally be resolved, and when the Settlement will become Final, are uncertain. Resolving appeals can take time, perhaps more than a year. It also takes a long time, often many months, for all Claims to be accurately reviewed and processed. Please be patient. Updates regarding the status of the Settlement will be posted periodically as events warrant at www.lswclassaction.com.

16. What am I giving up to get a settlement benefit or stay in the Class?

Unless you properly exclude yourself, you are staying in the Class, and that means you will be bound by the release of Claims, as described in the Stipulation of Settlement, if the Settlement is approved. That means you and each of your immediate family members, heirs, executors, trustees, administrators, successors, assigns, and present and former employees, officers, directors, attorneys, legal representatives, accountants, insurers, reinsurers, managers, and agents will release (agreeing never to sue, continue to sue, or be part of any other lawsuit), unless prohibited by law, any and all Claims and Unknown Claims (as defined in the Stipulation of Settlement) relating in any way, directly or indirectly, to any Paragon or Provider life insurance Policies issued in California between September 24, 2006 and April 27, 2014, that have been or could have been asserted by or on behalf of any of the Releasing Plaintiff Parties, in any capacity, which concern, arise out of, are based upon, or refer or relate in any way to the same events, transactions, circumstances, or factual predicate as the claims asserted in the Action, including without limitation any communications, disclosures, omissions, or nondisclosures related to the Policies, whether written or oral, including any Policy

illustrations; the offering of advice in any manner related to the Policies; the design, marketing, solicitation, application, sale, appropriateness, or administration of the Policies; or the crediting of interest to Policy accounts. Releasing Parties, on behalf of themselves, their successors and assigns, and any other Person claiming (now or in the future) through or on behalf of them (regardless of whether any such Releasing Party ever seeks or obtains by any means, including without limitation by submitting a Proof of Claim, any Term Insurance Relief or any disbursement from the Settlement Fund), shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Released Parties and shall have covenanted not to sue the Released Parties with respect to all such Released Claims, and shall be permanently barred and enjoined from asserting, commencing, prosecuting, instituting, assisting, instigating, or in any way participating in the commencement or prosecution of any action or other proceeding, in any forum, asserting any Released Claim, in any capacity, against any of the Released Parties. It also means that all of the Court’s orders in this Lawsuit, whatever they provide, will apply to you and legally bind you, even if you had objected to the Settlement. *Please refer to the Stipulation of Settlement for the full terms of the release, including definitions of the capitalized terms used in this paragraph.*

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you fall within the Class definition, you have to decide whether to stay in the Class or ask to be excluded from the Class. If you decide to exclude yourself, you must act promptly and mail a written request to exclude yourself that is postmarked no later than [DATE] {insert date that is 60 days after date of Notice appearing on last page}.

17. Why would I ask to be excluded?

Class Members who exclude themselves are free to file individual lawsuits against LICS about the issues in the Lawsuit.

If you already have your own lawsuit against LICS based on issues raised in this Lawsuit and want to continue with your own lawsuit, you must ask to be excluded from the Class.

If you start your own lawsuit against LICS after you exclude yourself, you will have to prove your claims. If you intend to file your own individual lawsuit against LICS, you may want to consult with a lawyer soon, because your claims may be subject to a time limit, known as a statute of limitations.

18. How do I ask the Court to exclude me from the Class?

To ask to be excluded, send a notification in writing to Walker v. LICS Exclusions, c/o Epiq Class Action & Claims Solutions, Inc., P.O. Box 5053, Portland, OR 97208-5053. There is no required form—you can send a letter, or any other writing that indicates that you wish to be excluded. Please be sure to include your name, address, telephone number, policy number(s), signature, and a statement that you wish to be excluded from the Class in *Walker et al. v. Life Insurance Company of the Southwest*, No. 10-CV-9198-JVS-JDE. A request to be excluded will not be effective unless it legibly provides the required information. Your request to be excluded must be postmarked by [DATE] {insert date that is 60 days after date of Notice appearing on last page} at the latest. If you fail to send a notification that is postmarked on or before [DATE] {insert date that is 60 days after date of Notice appearing on last page}, you will be included in the Class. You can’t exclude

yourself by telephone or by e-mail.

19. If I exclude myself, can I get relief from the Settlement?

No. If you exclude yourself, do not send in a Proof of Claim Form seeking any settlement relief because you will not be entitled to any benefits from this settlement.

20. If I do not exclude myself, can I sue LICS for the same thing later?

No. Unless you properly exclude yourself, you give up any rights to sue LICS and the other Released Parties for any and all Released Claims (as those terms are defined in the Stipulation of Settlement). If you do not exclude yourself, you will not be entitled to receive any recovery in any other action against LICS or any of the Released Parties based on or arising out of the Released Claims.

THE LAWYERS IN THIS LAWSUIT

21. Do I have a lawyer in this case?

Yes. The Court decided that the law firm of Kasowitz Benson Torres LLP is qualified to represent you and all Class Members. Information about Lead Counsel can be found by visiting the website listed below:

Kasowitz Benson Torres LLP
www.kasowitz.com
Veronica Nauts
101 California Street, Suite 3000
San Francisco, CA 94111
(415) 421-6140

You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

22. Should I get another lawyer?

That is your decision. Lead Counsel is working on your behalf and on behalf of all Class Members. If you want your own lawyer, you will have to hire and pay that lawyer.

23. How will the Lead Counsel lawyers be paid?

Lead Counsel will ask the Court for an award of attorneys' fees and costs in the aggregate of \$2,500,000. The Court will decide the amount of attorneys' fees and costs that gets awarded to Lead Counsel. Lead Counsel also will ask the Court to award payments to each of the five Class Representatives, which may vary depending on the extent of their active involvement in this case, for a total payment of up to \$100,000 for all Class Representatives combined. The Court may award less than these amounts. LICS will pay the attorneys' fees and expenses, and any payments to the Class Representatives, that the Court awards, up to the foregoing amounts. These amounts will not come out of the funds for the specific settlement benefits awarded to Class Members.

24. Does LICS have lawyers in this case?

Yes. LICS is also represented by counsel. LICS’s counsel do not represent you or any other Class Member.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you don’t agree with the Settlement or some part of it.

25. How do I tell the court I do not like the Settlement?

If you are a Class Member, you can object to the Settlement if you don’t like any part of it. The Court will consider your views in connection with the Settlement Hearing described below. To object, you must submit your objection in writing, stating that you object to the Settlement of *Walker et al. v. Life Insurance Company of the Southwest*. Your written objection must include your name, address, telephone number, policy number(s), and signature, the reasons you object to the Settlement, and any documents that you wish to submit in support of your position. Your written objection must be filed with the Clerk of the United States District Court for the Central District of California – Southern Division and sent by first class mail to each of the following addresses, postmarked no later than [redacted], 2021 **{insert date that is 60 days after date of Notice appearing on last page}**:

CLAIMS ADMINISTRATOR	LEAD COUNSEL	DEFENSE COUNSEL
Walker v. LICS Class Action c/o Epiq Class Action & Claims Solutions, Inc. P.O. Box 5053 Portland, OR 97208-5053	Veronica Nauts Kasowitz Benson Torres LLP 101 California Street, Suite 3000 San Francisco, CA 94111	Timothy J. Perla Wilmer Cutler Pickering Hale and Dorr LLP 60 State Street Boston, MA 02109

You do not need to attend the Settlement Hearing to have your written objection considered by the Court.

If you do not timely submit an objection in accordance with the above requirements, you will not be treated as having filed a valid objection to the Settlement.

If you hire an attorney for the purpose of objecting to any aspect of the Settlement, the attorney must file an entry of appearance with the Clerk of the Court no later than [redacted], 2021, and send a copy of such entry of appearance to the Claims Administrator, Lead Counsel, and Defense Counsel (at the addresses listed above) by U.S. mail postmarked no later than [redacted], 2021 **{for each blank, insert date that is 60 days after date of Notice appearing on last page}**.

26. What is the difference between objecting and excluding?

Objecting is telling the Court that you don't like something about the Settlement. You can object only if you stay in the Class. *Excluding yourself* is telling the Court that you do not want to be part of the Class and the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak by following the process described below, but you don't have to.

27. When and where will the court decide whether to approve the Settlement?

The Court will hold a Settlement Hearing on [REDACTED], 2021, at [REDACTED]:00 [REDACTED].M., at the United States District Court for the Central District of California, Southern Division, Ronald Reagan Federal Building and United States Courthouse, 411 West 4th Street, Courtroom 10C, Santa Ana, CA 92701-4516. The Court may hold the Settlement Hearing telephonically or by other virtual means. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Selna may listen to people who, prior to the hearing, properly and timely requested in writing to speak at the hearing, as described under question 29 of this Notice. The Court also may decide how much Lead Counsel will be paid and the amount of any payments to the Class Representatives. At or following the Settlement Hearing, the Court will decide whether to approve the Settlement, but we do not know exactly when that decision will be made.

Also at the hearing the Court will decide whether to approve the dismissal with prejudice of all claims against Defendants.

28. Do I have to come to the hearing?

No. Lead Counsel will answer questions Judge Selna may have, but you are welcome to attend the hearing. You also may pay your own lawyer to attend the hearing if you so choose. If you submit a written objection, you don't have to come to Court to talk about it and you don't have to send your own lawyer. As long as you properly submitted your written objection and it was postmarked on time, the Court will consider it.

Please be aware that the Court may change the date or time of the Settlement Hearing without further notice to Class Members. If you or your attorney plan to attend the hearing, you should check with Lead Counsel to be sure that the date or time has not changed.

Class Members do not need to appear at the hearing or take any other action to indicate their approval of the matters being considered at the hearing.

29. May I speak at the hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must do two things. First, you must object to the Settlement in accordance with the procedures described above under question 25. Second, you must send a letter stating that it is your "Notice of Intention to Appear

in *Walker et al. v. Life Insurance Company of the Southwest*.” You must include your name, address, telephone number, and your signature on your Notice of Intention to Appear. Your Notice of Intention to Appear must be submitted by U.S. mail to the Clerk of the Court, Lead Counsel, and Defense Counsel, at their respective addresses given under question 25, and must be postmarked and received by the Court no later than [REDACTED], 2021 {insert date that is 60 days after issuance of Notice}. You cannot speak at the hearing if you do not follow these procedures, or if you exclude yourself.

IF YOU DO NOTHING

30. What happens if I do nothing at all?

By doing nothing in response to this Notice, you are staying in the Class if you fall within the class definition. Keep in mind that if you do nothing now, you will give up all rights ever to bring a lawsuit or action, to continue with a pending lawsuit or action, or to be part of any other lawsuit or action against LICS concerning the claims and legal issues covered and resolved by the Settlement.

If the Court approves the Settlement, you will receive a Proof of Claim Form that you must complete and submit to the Claims Administrator within 60 days of receipt in order to receive the Cash Relief Option, Surrender Charge Credit, and/or Term Insurance Relief provided for in the approved Settlement.

GETTING MORE INFORMATION

31. Are more details about the Settlement available?

Yes. This Notice and accompanying documents provide only a summary of the Settlement. More details are contained in an agreement between the Plaintiffs and LICS called the Stipulation of Settlement. The full Stipulation of Settlement is on file with the Clerk of Court. To obtain a copy of the Stipulation of Settlement, or additional information about this Notice or this Class Action, you can call 1-877-432-3865 (toll free); write to Walker v. LICS Class Action, c/o Epiq Class Action & Claims Solutions, Inc., P.O. Box 5053, Portland, OR 97208-5053; or visit the website at www.lswclassaction.com. Please do not call the Court or the Court Clerk.

32. How do I get more information?

To get more information about the Settlement, you can:

- Call 1-877-432-3865 (toll free);
- Write to Walker v. LICS Class Action, c/o Epiq Class Action & Claims Solutions, Inc., P.O. Box 5053, Portland, OR 97208-5053; or
- Visit the settlement informational website at www.lswclassaction.com, where you will find copies of the Stipulation of Settlement, Proof of Claim Form, and other information concerning the Settlement.

For any information about your policy other than about this Notice or the Lawsuit, you can contact LICS or your insurance agent by calling 1-800-732-8939, by emailing LICS at

LifeCustomerService@NationalLife.com, or by visiting LICs's website at www.nationallife.com.

Notice Date: [REDACTED]

Walker v. UCS Class Action
c/o Epic Class Action & Claims Solutions, Inc.
P.O. Box 5053
Portland, OR 97208-5053

PRESORTED
FIRST-CLASS
MAIL U.S.
POSTAGE PAID

**Court-Ordered Legal Notice
Forwarding Service Requested**

*Important Notice about a
Class Action Settlement*

*You may be entitled to a payment
or other benefit.*

*This Notice may affect your legal
rights.*

Please read it carefully.

Case No. 2:10-cv-09198 (C.D. Cal.)

Case Pending in the United States District Court for the
Central District of California

[NAME 1]

[NAME 2]

[NAME 3]

[ADDRESS 1]

[ADDRESS 2]

THIS CARD PROVIDES ONLY LIMITED INFORMATION ABOUT THE SETTLEMENT.

#47019

PLEASE VISIT WWW.LSWCLASSACTION.COM OR CALL 1-877-432-3865 FOR MORE INFORMATION.

The U.S. District Court for the Central District of California (the “Court”) has preliminarily approved a proposed Settlement of claims against Life Insurance Company of the Southwest (“LICS”). The proposed Settlement would resolve a class action lawsuit alleging that LICS violated California’s Unfair Competition Law in connection with the provisions of California law that govern life insurance illustrations. LICS denies that it has violated the law or that it has harmed policyholders in any way.

You received this notice because you may have purchased a SecurePlus Provider and/or SecurePlus Paragon indexed universal life insurance Policy between September 24, 2006 and April 27, 2014, and you may be a member of the Class. The Settlement provides that, in exchange for the dismissal and release of claims against LICS, LICS will make available to Class Members three types of settlement benefits: (1) a Cash Relief Option; (2) a Surrender Charge Credit; and (3) Term Insurance Relief. A Class Member may not receive all three benefits. Instead, each benefit has particular eligibility criteria that a Class Member must meet, and no Class Member may receive both the Cash Relief Option and Term Insurance Relief. In order to receive one of these settlement benefits, a Class Member must timely submit a valid Proof of Claim Form. LICS has also agreed as part of the Settlement to guarantee that it will eliminate the Monthly Percent of Accumulated Value Charge on Class Members’ in-force Paragon Policies after each Policy has been in force for ten policy years. LICS has also already made certain changes to the contents of illustrations in order to address Plaintiffs’ claims. The Notice of Pendency and Proposed Settlement of Class Action (“Notice”) includes further details concerning the settlement benefits and Proof of Claim Form.

If you do not want to be legally bound by the Settlement, you must exclude yourself by [REDACTED], 2021. If you exclude yourself, you cannot get any of the benefits from this Settlement. If you stay in the Settlement, you may object to it by [REDACTED], 2021. The Notice explains how to exclude yourself or to object. Class Members who stay in the Settlement will be provided a Proof of Claim Form.

For a full description of the Settlement and your rights, please view the Stipulation and Agreement of Settlement and obtain copies of the Notice and Proof of Claim Form by visiting the website: <http://www.lswclassaction.com>. You may request copies of the Notice and Proof of Claim Form by: (1) mail: Walker v. LICS Class Action, c/o Epiq Class Action & Claims Solutions, Inc., P.O. Box 5053, Portland, OR 97208-5053; (2) call toll-free: 1-877-432-3865; or (3) email: info@lswclassaction.com.

The Court will hold a hearing in this case on [REDACTED], 2021 at [REDACTED]:00 .m. at the Ronald Reagan Federal Building and United States Courthouse, 411 West 4th Street, Courtroom 10C, Santa Ana, CA 92701-4516, to consider whether to approve the Settlement, a request by Lead Counsel for up to \$2,500,000 for their attorneys’ fees and expenses, and Incentive Awards to Lead Plaintiffs of no more than \$100,000 combined, for litigating the cases and negotiating the Settlement. You may, but do not have to, attend the hearing and ask to be heard by the Court. The Court reserves the right to hold the Settlement Hearing telephonically or by other virtual means.

1 Veronica Nauts (SBN 300558)
2 KASOWITZ BENSON TORRES LLP
3 101 California Street, Suite 3000
4 San Francisco, California 94111
5 Tel: (415) 421-6140
6 Fax: (415) 398-5030

7 Daniel A. Saunders (SBN 161051)
8 KASOWITZ BENSON TORRES LLP
9 2029 Century Park East, Suite 2000N
10 Los Angeles, California 90067
11 Tel: (424) 288-7900
12 Fax: (424) 288-7901

13 Attorneys for Plaintiffs,
14 JOYCE WALKER, KIM BRUCE HOWLETT,
15 MURIEL SPOONER, TALINE BEDELIAN, and
16 OSCAR GUEVARA, on behalf of themselves and
17 all others similarly situated

18 **UNITED STATES DISTRICT COURT**
19 **CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION**

20 JOYCE WALKER, KIM BRUCE
21 HOWLETT, MURIEL SPOONER,
22 TALINE BEDELIAN, and OSCAR
23 GUEVARA, on behalf of themselves and
24 all others similarly situated,

25 Plaintiffs,

26 vs.

27 LIFE INSURANCE COMPANY OF THE
28 SOUTHWEST, a Texas corporation, and
DOES 1-50

Defendant.

CLASS ACTION

Case No.: CV 10-9198-JVS-JDE

**[PROPOSED] ORDER GRANTING
PLAINTIFFS' UNOPPOSED MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

1 WHEREAS, a certified class action is pending before this Court entitled *Walker*
2 *et al. v. Life Insurance Company of the Southwest*, No. 10-CV-9198-JVS-JDE (the
3 “Class Action”);

4 WHEREAS, Plaintiffs have made an application, pursuant to Federal Rule of
5 Civil Procedure 23(e), for an order: (i) preliminarily approving the Settling Parties’
6 proposed settlement of the Action (the “Settlement”) in accordance with the Stipulation
7 and Agreement of Settlement dated February 5, 2021 (the “Stipulation”), which,
8 together with the exhibits annexed thereto, sets forth the terms and conditions for the
9 Settlement and dismissal of the Action with prejudice; (ii) approving the form and
10 manner of the posting of the Notice of Pendency and Proposed Settlement of Class
11 Action, attached as Exhibit A-1 to the Stipulation, and the dissemination of the Postcard
12 Notice, attached as Exhibit A-2 to the Stipulation; and (iii) scheduling a date for the
13 Settlement Hearing (defined below), pursuant to Federal Rule of Civil Procedure 23(e),
14 for the Court to consider and determine whether to approve the terms of the Settlement
15 as fair, reasonable, and adequate, including the payment of the Fee and Cost
16 Reimbursement to Lead Counsel in the amount separately negotiated by the Settling
17 Parties, and the Incentive Award to Lead Plaintiffs; and

18 WHEREAS this Court has read and considered the Stipulation and the exhibits
19 attached thereto and the Motion for Preliminary Approval of the Settlement, and the
20 papers filed and arguments made in connection therewith.

21 NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

22 1. Unless otherwise defined herein, all capitalized terms contained herein
23 shall have the same meanings as set forth in the Stipulation.

24 2. This Court has jurisdiction over the subject matter of the Action, and the
25 Settling Parties to the Stipulation agreed to submit to the jurisdiction of the Court for
26 purposes of implementing and enforcing the Settlement embodied in the Stipulation.
27

1 3. The Court does hereby preliminarily approve the Stipulation and the
2 Settlement set forth therein, including all provisions therein and exhibits attached
3 thereto, subject to further consideration at the Settlement Hearing described below.

4 4. A Settlement Hearing shall be held before this Court on _____,
5 2021, at _____m. [a date that is at least 100 calendar days from the date of entry of
6 this Preliminary Approval Order] at the United States District Court for the Central
7 District of California, Southern Division, Ronald Reagan Federal Building and United
8 States Courthouse, 411 West 4th Street, Courtroom 10C, Santa Ana, CA 92701-4516,
9 to (i) determine whether the Settlement of the Action on the terms and conditions
10 provided for in the Stipulation is fair, reasonable, and adequate and in the best interests
11 of the Class Members and should be approved by the Court; (ii) hear and rule on any
12 objections by Class Members to the Settlement, the proposed Final Judgment and
13 Order, the proposed Fee and Cost Reimbursement, and the proposed Incentive Award;
14 (iii) determine whether to approve the Fee and Cost Reimbursement and Incentive
15 Award; and (iv) determine whether the Court should enter the Final Judgment and
16 Order of Dismissal with Prejudice (attached as Exhibit C to the Stipulation), which
17 would dismiss with prejudice the Action and release the Released Claims. The Court
18 reserves the right to hold the Settlement Hearing telephonically or by other virtual
19 means.

20 5. The Court reserves the right to adjourn the date of the Settlement Hearing
21 or modify any other dates set forth herein without further notice to Class Members, and
22 retains jurisdiction to consider all further applications arising out of or connected with
23 the Settlement.

24 6. The Court approves, as to form and content, the Notice of Pendency and
25 Proposed Settlement of Class Action (attached to the Stipulation as Exhibit A-1), the
26 Postcard Notice (attached to the Stipulation as Exhibit A-2), and the Proof of Claim
27

1 Form (attached to the Stipulation as Exhibit D), and finds that the dissemination of the
2 Postcard Notice and posting of the Notice substantially in the manner and form set forth
3 in ¶ 7 of this Order meet the requirements of Federal Rule of Civil Procedure 23, the
4 United States Constitution, and other applicable law, and is the best notice practicable
5 under the circumstances and shall constitute due and sufficient notice to all Persons
6 entitled thereto.

7 7. The Court approves the appointment of Epiq Class Action & Claims
8 Solutions, Inc. as the Claims Administrator who, under the supervision of Lead Counsel
9 and subject to the jurisdiction of the Court, shall supervise and administer the notice
10 procedure, as well as the processing of Claims, as more fully set forth below:

11 a. No later than twenty-eight (28) calendar days after the Court enters
12 this Preliminary Approval Order, the Claims Administrator shall post the Notice and
13 Stipulation on a website dedicated to the administration of the Settlement (the
14 “Settlement Website”).

15 b. No later than twenty-eight (28) calendar days after the Court enters
16 this Preliminary Approval Order, the Claims Administrator shall cause a copy of the
17 Postcard Notice, attached to the Stipulation as Exhibit A-2, to be e-mailed to Class
18 Members for whom LICS’s records include an e-mail address that is readily accessible
19 and customarily used to facilitate communications with policyholders. In the event that
20 LICS’s records that are readily accessible and customarily used to facilitate
21 communications with policyholders do not include an e-mail address for a Class
22 Member, or if the Claims Administrator receives a bounce-back message for an e-mail
23 address provided by LICS, the Claims Administrator will mail the Postcard Notice to
24 each such Class Member within seven (7) calendar days thereafter by first-class mail,
25 postage pre-paid. For the purpose of providing the Postcard Notice to the Class, LICS
26 shall, within seven (7) calendar days following the entry of this Preliminary Approval
27

1 Order, provide or cause to be provided to the Claims Administrator (at no cost to the
2 Settlement Fund, Lead Counsel, or the Claims Administrator) a list of last known e-mail
3 addresses and mailing addresses for Class Members based on information contained in
4 LICS's records that are readily accessible and customarily used to facilitate
5 communications with, and mailings to, policyholders (provided, however, that LICS
6 shall not be required to conduct a manual or human review of any records).

7 8. No later than thirty-five (35) calendar days prior to the Settlement Hearing,
8 Lead Counsel shall serve on Defense Counsel and file with the Court proof, by affidavit
9 or declaration, of mailing of the Postcard Notice and posting of the Notice on the
10 Settlement Website.

11 9. The Class Action Fairness Act of 1995, 28 U.S.C. § 1715 ("CAFA"),
12 requires each defendant participating in a class action settlement to notify appropriate
13 Federal and State officials of the Settlement within ten (10) calendar days after it is filed
14 in court. No later than thirty-five (35) calendar days before the Settlement Hearing,
15 Defendant shall file with the Court an affidavit or declaration showing timely
16 compliance with this CAFA notice directive.

17 10. All papers in support of the Settlement, the Fee and Cost Reimbursement,
18 and the Incentive Award shall be filed with the Court and served at least thirty-five (35)
19 calendar days prior to the Settlement Hearing. The Settling Parties shall file with the
20 Court and serve responses to any objections filed pursuant to ¶ 14 below at least seven
21 (7) calendar days prior to the Settlement Hearing.

22 11. Class Members who wish to participate in the Settlement shall complete
23 and submit a Proof of Claim Form in accordance with the instructions contained
24 therein. Unless the Court orders otherwise, all Proof of Claim Forms must be
25 postmarked and submitted no later than sixty (60) calendar days after the date on which
26 the Claims Administrator provides the Proof of Claim Forms to Class Members. Each
27

1 Proof of Claim Form shall be deemed to be submitted when posted, if received with a
2 postmark indicated on the envelope and if mailed by first-class mail and addressed in
3 accordance with the instructions thereon. In all other cases, the Proof of Claim Form
4 shall be deemed to have been submitted when it was actually received by the Claims
5 Administrator. Any Class Member who does not submit a timely and valid Proof of
6 Claim Form shall be barred from sharing in the distribution of the Cash Relief Option,
7 Surrender Charge Credit, or Term Insurance Relief (as those settlement benefits are
8 defined in the Stipulation), unless otherwise ordered by the Court, but will in all other
9 respects be subject to and bound by the provisions of the Settlement and the Judgment,
10 including the releases provided for therein.

11 12. Any Class Member may request to be excluded from the Class by
12 submitting a Request for Exclusion in written form in the manner and to the address
13 designated in the Notice, such that it is postmarked no later than sixty (60) calendar
14 days after the date appearing on the Notice. Class Members wishing to be excluded
15 from the Class must, in their written Request for Exclusion, provide their (1) name, (2)
16 address, (3) telephone number, (4) policy number(s), (5) signature, and (6) a statement
17 that the Class Member requests to be excluded from the Class in *Walker et al. v. Life*
18 *Insurance Company of the Southwest*, No. 10-CV-9198-JVS-JDE. A Request for
19 Exclusion shall not be effective unless it legibly provides the required information and
20 is made within the time stated above, or the exclusion is otherwise accepted by the
21 Court. All Class Members who submit valid and timely Requests for Exclusion in the
22 manner set forth in this paragraph, the Notice, and Stipulation, shall have no rights
23 under the Stipulation, shall not share in the settlement relief, and shall not be bound by
24 the Stipulation or the Judgment entered in the Action.

25 13. Any Class Members who fails to timely or properly request to be excluded
26 from the Class, or whose Request for Exclusion is not otherwise accepted by the Court,
27

1 shall be deemed a Class Member, shall be deemed to have waived his or her right to be
2 excluded from the Class, shall forever be barred from requesting exclusion from the
3 Class in this or any other proceeding, shall be bound by the Settlement and the
4 Judgment, and shall be deemed by operation of law to have released all Released
5 Claims against the Released Parties, if the Court approves the Settlement.

6 14. Any Class Member may object to the Settlement of the Action, the
7 proposed Order and Final Judgment, the proposed Fee and Cost Reimbursement, and/or
8 the proposed Incentive Award, and may also (but need not) appear in person or by his,
9 her, or its attorney at the Settlement Hearing; provided, however, no Class Member or
10 any other person or entity shall be heard or entitled to contest such matters unless that
11 person has fully complied with the terms set out herein. To object, such Class Member
12 must submit copies of: (a) a written statement identifying such Person's name, address,
13 telephone number, policy number(s), and signature, and, if represented by counsel, the
14 name, address, and telephone number of counsel; (b) a written statement explaining the
15 Class Member's objection and the reasons for such objection; and (c) any
16 documentation in support of such objection. Any objection should not exceed twenty-
17 five (25) pages in length. If the Class Member wishes to appear at the Settlement
18 Hearing, he, she, or it must also include a statement of intention to appear at the
19 Settlement Hearing. Such materials must be filed with the Clerk of the United States
20 District Court for the Central District of California – Southern Division and sent by first
21 class mail to the following addresses and postmarked no later than sixty (60) calendar
22 days after the date appearing on the Notice:

23
24 KASOWITZ BENSON TORRES LLP
25 Veronica Nauts
26 101 California Street, Suite 3000
27 San Francisco, California 94111

1 *Counsel for Plaintiffs Joyce Walker, Kim Bruce Howlett, Muriel Spooner, Taline*
2 *Bedelian, and Oscar Guevara*

3 -and-

4 WILMER CUTLER PICKERING HALE AND DORR LLP
5 Timothy J. Perla
6 60 State Street
7 Boston, Massachusetts 02109

8 *Counsel for Defendant*

9 -and-

10 Walker v. LICS Class Action
11 c/o Epiq Class Action & Claims Solutions, Inc.
12 P.O. Box 5053
13 Portland, OR 97208-5053

14 *Claims Administrator*

15 15. Any person or entity who fails to object in the manner described above
16 shall be: (i) deemed to have waived any objection and shall forever be foreclosed from
17 making any objection to the fairness, reasonableness, or adequacy of the Settlement,
18 Order and Final Judgment, the Fee and Cost Reimbursement, and the Incentive Award;
19 (ii) barred from raising such objection in this Action or any other action or proceeding
20 related thereto; and (iii) bound by the Order and Final Judgment and the releases of
21 Claims therein. A Class Member objecting or otherwise requesting to be heard at the
22 Settlement Hearing shall be deemed to have submitted to the jurisdiction of the Court
23 with respect to the objection or request to be heard and the subject matter of the
24 Settlement, including, but not limited to, enforcement of the terms of the Settlement
25 (including the release of the Released Claims provided for in the Stipulation and Order
26 and Final Judgment).

1 until such time as such funds shall be distributed pursuant to the Stipulation and/or
2 further order(s) of the Court.

3 22. The Court may approve the Settlement, with such modifications as may be
4 agreed to by the Settling Parties, if appropriate, without further notice to Class
5 Members.

6 23. All Class Members shall be bound by all orders, determinations, and
7 judgments in the Action concerning the Settlement, whether favorable or unfavorable to
8 Class Members.

9 24. Neither LICS and their Related Parties nor Defense Counsel shall have any
10 responsibility for, or liability with respect to, Administrative Costs and Taxes, or Lead
11 Counsel's application for the Fee and Cost Reimbursement or Incentive Award, and
12 such matters will be considered separately from the fairness, reasonableness, and
13 adequacy of the Settlement. At or after the Settlement Hearing, the Court will
14 determine whether to approve Lead Counsel's application for the Fee and Cost
15 Reimbursement and Incentive Award. Any appeal from any orders relating solely to
16 Lead Counsel's application for the Fee and Cost Reimbursement or Incentive Award, or
17 any reversal or modification thereof, shall not operate to terminate the Settlement, or
18 preclude the Judgment, if entered by the Court, from becoming Final or the Effective
19 Date of the Settlement from occurring.

20 25. The provisions contained in the Stipulation (including any exhibits
21 attached thereto) shall not be deemed a presumption, concession, or admission by any
22 Party of any fault, liability, or wrongdoing, or lack of merit as to any facts or claims
23 alleged or asserted in the Action or in any other action or proceeding, and shall not be
24 interpreted, construed, deemed, invoked, offered, or received into evidence or otherwise
25 used by any person in the Action or in any other action or proceeding, whether civil,
26 criminal, or administrative, except in connection with any proceeding to enforce the
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1 terms of the Settlement. LICS and the Released Parties may file the Stipulation and/or
2 the Order and Final Judgment in any action that may be brought against them in order
3 to support a defense or counterclaim based on principles of *res judicata*, collateral
4 estoppel, full faith and credit, release, good faith settlement, judgment bar, or reduction
5 or any other theory of claim preclusion or issue preclusion or similar defense or
6 counterclaim.

7 26. In the event that the Stipulation or Settlement is not approved by the Court,
8 or the Settlement is terminated for any reason, the Settling Parties shall be restored to
9 their respective positions in the Action as of the last date before the Stipulation, and all
10 negotiations, proceedings, documents prepared, and statements made in connection
11 herewith shall be without prejudice to the Settling Parties, shall not be deemed or
12 construed to be an admission by any Party of any act, matter, or proposition, and shall
13 not be used in any manner for any purpose in any subsequent proceeding in the Action
14 or in any other action or proceeding. In such event, the terms and provisions of the
15 Stipulation shall have no further force and effect with respect to the Settling Parties and
16 shall not be used in the Action or in any other proceeding for any purpose, and any
17 judgment or orders entered by the Court in accordance with the terms of the Stipulation
18 shall be treated as vacated, *nunc pro tunc*.

19
20 IT IS SO ORDERED

21
22 Dated: _____

HON. JAMES V. SELNA
United States District Judge

1 Veronica Nauts (SBN 300558)
2 KASOWITZ BENSON TORRES LLP
3 101 California Street, Suite 3000
4 San Francisco, California 94111
5 Tel: (415) 421-6140
6 Fax: (415) 398-5030

7 Daniel A. Saunders (SBN 161051)
8 KASOWITZ BENSON TORRES LLP
9 2029 Century Park East, Suite 2000N
10 Los Angeles, California 90067
11 Tel: (424) 288-7900
12 Fax: (424) 288-7901

13 Attorneys for Plaintiffs,
14 JOYCE WALKER, KIM BRUCE HOWLETT,
15 MURIEL SPOONER, TALINE BEDELIAN, and
16 OSCAR GUEVARA, on behalf of themselves and
17 all others similarly situated

18 **UNITED STATES DISTRICT COURT**
19 **CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION**

20 JOYCE WALKER, KIM BRUCE
21 HOWLETT, MURIEL SPOONER,
22 TALINE BEDELIAN, and OSCAR
23 GUEVARA, on behalf of themselves and
24 all others similarly situated,

25 Plaintiffs,

26 vs.

27 LIFE INSURANCE COMPANY OF THE
28 SOUTHWEST, a Texas corporation, and
DOES 1-50

Defendant.

CLASS ACTION

Case No.: CV 10-9198-JVS-JDE

**[PROPOSED] FINAL JUDGMENT
AND ORDER OF DISMISSAL WITH
PREJUDICE**

1 This matter came before the Court for a hearing pursuant to the Order Granting
2 Plaintiffs' Unopposed Motion for Preliminary Approval of Class Action Settlement of
3 this Court dated _____, 2021 ("Preliminary Approval Order"),
4 on the motion of Lead Plaintiffs for final approval of the Settlement of this Action as set
5 forth in the Stipulation and Agreement of Settlement dated as of February 5, 2021,
6 including all exhibits thereto (the "Stipulation"). Due and adequate notice having been
7 given to Class Members as required in the Court's Preliminary Approval Order, and the
8 Court having considered all papers filed and proceedings held herein and otherwise
9 being fully informed, and good cause appearing therefore, IT IS HEREBY ORDERED,
10 ADJUDGED, AND DECREED that:

11 1. This Judgment and Order of Dismissal with Prejudice ("Judgment")
12 incorporates herein the Stipulation, including the exhibits thereto. Unless otherwise
13 defined herein, all capitalized terms used herein shall have the same meanings as set
14 forth in the Stipulation.

15 2. This Court has jurisdiction over the subject matter of the Action, and the
16 Settling Parties to the Stipulation have consented to the jurisdiction of the Court for
17 purposes of implementing and enforcing the Settlement embodied in the Stipulation.

18 3. The record shows that notice of the Settlement has been given to all Class
19 Members in the manner approved by the Court in the Preliminary Approval Order. The
20 Court finds that such notice: (a) constitutes reasonable and the best notice practicable
21 under the circumstances; (b) constitutes notice that was reasonably calculated, under the
22 circumstances, to apprise all Class Members who could reasonably be identified of (i)
23 the pendency of the Action, (ii) the terms of the Settlement, (iii) Class Members' right
24 to be excluded from the Class; (iv) Class Members' right to object to and to appear at
25 the Settlement Hearing; and (v) the binding effect of the proceedings, rulings, orders,
26 and judgments in this Action, whether favorable or unfavorable, on all Persons who are
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1 not excluded from the Class; and (c) constitutes due, adequate, and sufficient notice to
2 all Persons or entities entitled to receive notice in accordance with Federal Rule of Civil
3 Procedure 23; the United States Constitution; the Rules of the Court; the Class Action
4 Fairness Act, 28 U.S.C. § 1715; and any other applicable law.

5 4. Pursuant to Federal Rule of Civil Procedure 23, this Court finds that the
6 terms and provisions of the Settlement set forth in the Stipulation are, in all respects,
7 fair, just, reasonable, and adequate, and in the best interests of the Class. This Court
8 further finds that the Settlement set forth in the Stipulation is the result of arm's-length
9 negotiations between experienced counsel representing the interests of Lead Plaintiffs,
10 Class Members, and Life Insurance Company of the Southwest ("LICS"). The Court
11 has considered any submitted objections to the Settlement and hereby overrules them.
12 Accordingly, the Court hereby fully and finally approves the Settlement set forth in the
13 Stipulation, and the Settling Parties are hereby directed to implement and consummate
14 the Settlement according to the terms and provisions of the Stipulation.

15 5. Except as to any individual claim of those Persons identified in Exhibit 1
16 attached hereto, if any, who have validly and timely requested exclusion from the Class,
17 the Action, and all claims contained therein, as well as all of the Released Claims
18 (including Unknown Claims), are dismissed on the merits and with prejudice. It is
19 hereby determined that all Class Members who did not timely and properly elect to
20 exclude themselves from the Class by a written Request for Exclusion delivered on or
21 before the date set forth in the Preliminary Approval Order and the Notice are bound by
22 this Judgment.

23 6. All Persons whose names appear on Exhibit 1 hereto are hereby excluded
24 from the Class, are not bound by this Judgment, and may not make any claim with
25 respect to or receive any benefit from the Settlement. Such excluded Persons may not
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1 pursue any Released Claims on behalf of those Persons who are bound by this
2 Judgment.

3 7. The Settling Parties expect the Settlement Fund to be fully consumed, but
4 if that does not happen, no portion of the Settlement Fund will revert to LICS. If any
5 amounts remain in the Settlement Fund (after the payment of all Administrative Costs,
6 Taxes, Surrender Charge Credits, and Cash Relief) and Lead Counsel determines that it
7 is not economically reasonable to distribute further proceeds, the amount remaining in
8 the Settlement Fund shall be donated to a charity selected by Lead Counsel and
9 unaffiliated with any Party or their counsel.

10 8. Upon the Effective Date, the Releasing Parties, on behalf of themselves,
11 their successors and assigns, and any other Person claiming (now or in the future)
12 through or on behalf of them (regardless of whether any such Releasing Party ever
13 seeks or obtains by any means, including without limitation by submitting a Proof of
14 Claim, any Term Insurance Relief, or any disbursement from the Settlement Fund),
15 shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and
16 forever released, relinquished, and discharged all Released Claims (including Unknown
17 Claims) against the Released Parties and shall have covenanted not to sue the Released
18 Parties with respect to all such Released Claims (including Unknown Claims), and shall
19 be permanently barred and enjoined from asserting, commencing, prosecuting,
20 instituting, assisting, instigating, or in any way participating in the commencement or
21 prosecution of any action or other proceeding, in any forum, asserting any Released
22 Claim, in any capacity, against any of the Released Parties. Nothing contained herein
23 shall, however, release or bar the Releasing Parties from bringing any action or claim to
24 enforce the terms of this Stipulation or the Judgment. The Settling Parties
25 acknowledge, and the Class Members shall be deemed by operation of this Judgment to
26 acknowledge, that the waiver of Unknown Claims, and of the provisions, rights, and
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1 benefits of any law of any state or territory of the United States or any other
2 jurisdiction, or principle of common law that is, or is similar, comparable, or equivalent
3 to California Civil Code Section 1542 was bargained for and is a key element of the
4 Settlement of which the release in this paragraph is a part.

5 9. The Stipulation (including any exhibits attached thereto), the fact and
6 terms of the Settlement, and any communications relating thereto, shall not be deemed a
7 presumption, inference, concession, or admission by any Settling Party or their counsel,
8 any Class Member, or any of the Released Parties of any fault, liability, injury or
9 damages, or wrongdoing whatsoever, as to any facts or claims alleged or that have been
10 or could have been asserted in the Action, or in any other actions or proceedings, or as
11 to the validity or merit of any of the claims or defenses alleged or that have been or
12 could have been asserted in any such action or proceeding, and shall not be interpreted,
13 construed, deemed, invoked, offered, or received into evidence or otherwise used in any
14 action or proceeding of any nature, whether civil, criminal, or administrative, for any
15 purpose whatsoever, provided, however, that the Stipulation and/or the Judgment may
16 be introduced in any proceeding to enforce the terms of the Settlement or Final
17 Judgment, or as otherwise required by law.

18 10. The Released Parties may file the Stipulation and/or the Judgment in any
19 action that may be brought against them in order to support a defense or counterclaim
20 based on principles of *res judicata*, collateral estoppel, full faith and credit, release,
21 good faith settlement, judgment bar, or reduction or any other theory of claim
22 preclusion or issue preclusion or similar defense or counterclaim. The Settling Parties
23 may file the Stipulation and/or this Judgment in any proceeding that may be necessary
24 to consummate or enforce the Stipulation, the Settlement, or this Judgment.

25 11. The Settling Parties are to bear their own costs, except as otherwise
26 provided in the Stipulation and in this Judgment. The Court hereby approves the Fee
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1 and Cost Reimbursement to Lead Counsel provided in the Stipulation. If the Fee and
2 Cost Reimbursement award is reduced or reversed following payment by LICS, Lead
3 Counsel shall refund it to LICS within thirty (30) calendar days following a Court order
4 providing for such reduction or reversal.

5 12. The Court hereby approves an Incentive Award to the Lead Plaintiffs in the
6 aggregate amount of \$100,000. Lead Counsel may allocate the Incentive Award
7 amongst Lead Plaintiffs as they choose, with no involvement by or recourse to LICS. If
8 the Incentive Award is reduced or reversed following payment by LICS, Lead Plaintiffs
9 shall refund it to LICS within ten (10) calendar days following a Court order providing
10 for such reduction or reversal. Lead Plaintiffs shall be joint and severally liable for
11 such repayment, unless they have previously disclosed to LICS how the amount has
12 been allocated, in which case each Lead Plaintiff shall be liable for the amount
13 received.

14 13. Neither the portion of this Judgment regarding the Fee and Cost
15 Reimbursement, including any modification or change in the award of attorneys' fees
16 and expenses that may hereafter be approved, nor Incentive Award shall in any way
17 disturb, affect, or delay the entry of this Judgment or the releases provided hereunder
18 and shall be considered separate from this Judgment.

19 14. Without affecting the finality of this Judgment, the Court retains
20 continuing and exclusive jurisdiction over all matters relating to administration,
21 consummation, enforcement, and interpretation of the Stipulation, the Settlement, and
22 of this Judgment, to protect and effectuate this Judgment, including any proceedings to
23 enjoin the Releasing Parties from instituting, commencing, or prosecuting the Released
24 Claims against the Released Parties, and for any other necessary purpose. Lead
25 Plaintiffs, LICS, and each Class Member are hereby deemed to have irrevocably
26 submitted to the exclusive jurisdiction of this Court, for the purpose of any suit, action,
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1 proceeding, or dispute arising out of or relating to the Settlement or the Stipulation,
2 including the exhibits thereto, and only for such purposes. Without limiting the
3 generality of the foregoing, and without affecting the finality of this Judgment, the
4 Court retains exclusive jurisdiction over any such suit, action, or proceeding.

5 15. The Escrow Agent appointed by Lead Counsel shall maintain the
6 Settlement Fund in accordance with the requirements set forth in the Stipulation. The
7 Released Defendant Parties and Defense Counsel shall have no liability, obligation, or
8 responsibility whatsoever for the administration of the Settlement or disbursement of
9 the Settlement Fund. Lead Counsel, Lead Plaintiffs, the Escrow Agent, and the Claims
10 Administrator shall have no liability to any Class Member with respect to any aspect of
11 the administration of the Settlement Fund, including, but not limited to, the processing
12 of Proof of Claim Forms and the distribution of the Settlement Fund to Class Members.

13 16. No Class Member shall have any claim against LICS, Defense Counsel, or
14 any of the Released Parties with respect to: (a) any act, omission or determination of
15 Lead Counsel, the Claims Administrator, or any of their respective designees or agents,
16 in connection with the administration of the Settlement or otherwise; (b) the
17 management or distribution of the Settlement Fund and/or the Net Settlement Fund; (c)
18 the determination, administration, calculation or payment of claims asserted against the
19 Settlement Fund and/or the Net Settlement Fund; (d) the administration of the Escrow
20 Account; (e) any application for, or award of, Fee and Cost Reimbursement to Lead
21 Counsel, or the allocation or distribution thereof as between them; (f) any application
22 for, or award of, an Incentive Award to Lead Plaintiffs, or the allocation or distribution
23 thereof as between them; (g) any losses suffered by, or fluctuations in the value of, the
24 Settlement Fund and/or the Net Settlement Fund; or (h) the payment or withholding of
25 any Administrative Costs and Taxes incurred in connection with the taxation of the
26 Settlement Fund and/or the Net Settlement Fund or the filing of any tax returns.

1 17. The Court finds that during the course of the Action, the Settling Parties
2 and their respective counsel at all times complied with the requirements of Rule 11 of
3 the Federal Rules of Civil Procedure, and particularly with Rule 11(b) of the Federal
4 Rules of Civil Procedure.

5 18. Nothing in this Judgment constitutes or reflects a waiver, release or
6 discharge of any rights or claims of LICS against its insurers, or its insurers'
7 subsidiaries, predecessors, successors, assigns, affiliates, or representatives.

8 19. In the event that the Settlement is not consummated or fails to become
9 Final in accordance with the terms of the Stipulation, this Judgment shall be vacated,
10 and all orders entered and releases delivered in connection with the Stipulation and this
11 Judgment shall be null and void, except as otherwise provided for in the Stipulation,
12 and the Settling Parties shall be returned to their respective positions immediately prior
13 to the execution of the Stipulation.

14 20. Without further order of the Court, the Settling Parties may unanimously
15 agree to reasonable extensions of time or other reasonable amendments, modifications,
16 and expansions of the Stipulation necessary to carry out any of the provisions of the
17 Stipulation, provided that such amendments, modifications, and expansions of the
18 Stipulation are not materially inconsistent with this Judgment and do not materially
19 limit the rights of Class Members or the Released Parties under the Stipulation.

20 21. Judgment shall be, and hereby is, entered dismissing the Action with
21 prejudice and on the merits. There is no just reason for delay in the entry of Judgment
22 and immediate entry by the Clerk of the Court is expressly directed pursuant to Rule
23 54(b) of the Federal Rules of Civil Procedure.

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25 IT IS SO ORDERED
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1 Dated: _____

2 HON. JAMES V. SELNA
3 United States District Judge

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PROOF OF CLAIM AND RELEASE FORM

Deadline for Submission: [REDACTED]

If you purchased a SecurePlus Provider and/or SecurePlus Paragon indexed universal life insurance Policy between September 24, 2006 and April 27, 2014 (“Class Period”), resided in California at the time the Policy was issued by Life Insurance Company of the Southwest (“LICS”), and received an illustration *on or before* the date of policy application, you are a “Class Member” and you may be entitled to share in the settlement benefits.

Excluded from the Class are: (i) policyholders who only received an illustration *after* the date of policy application; (ii) past or present officers, directors, agents, brokers, or employees of LICS, or its parent or subsidiary corporations; (iii) any agents, brokers, or others who sold the SecurePlus Provider or SecurePlus Paragon Policies for LICS, or for its parent or subsidiary corporations; (iv) any entity in which LICS has a controlling interest; (v) the affiliates, legal representatives, attorneys or assigns of LICS or its parent or subsidiary corporations; (vi) any judge, justice, or judicial officer presiding over this matter and the staff and immediate family of any such judge, justice, or judicial officer; (vii) Persons who previously had settled disputes with LICS with respect to their SecurePlus Provider or SecurePlus Paragon Policies and signed releases; and (viii) any Person who submitted a valid request to be excluded from the Class.

If you are a Class Member, you must complete and submit this proof of claim and release form (“Proof of Claim Form”) in order to be eligible for settlement benefits.

You must complete and sign this Proof of Claim Form. You can complete and submit the electronic version of this Proof of Claim Form by 11:59 p.m. EST on [REDACTED], 2021 at www.lswclassaction.com or mail this Proof of Claim Form by first class mail, postmarked no later than [REDACTED], 2021 to Epiq Class Action & Claims Solutions, Inc., the Claims Administrator, at the following address:

Walker v. LICS Class Action
c/o Epiq Class Action & Claims Solutions, Inc.
P.O. Box 5053
Portland, OR 97208-5053

YOUR FAILURE TO SUBMIT YOUR CLAIM BY [REDACTED], 2021 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOU FROM RECEIVING ANY RELIEF IN CONNECTION WITH THE SETTLEMENT OF THIS ACTION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

IF YOU ARE A CLASS MEMBER AND DO NOT SUBMIT A PROPER PROOF OF CLAIM FORM, YOU WILL NOT SHARE IN THE SETTLEMENT BUT YOU NEVERTHELESS WILL

BE BOUND BY THE ORDER AND FINAL JUDGMENT OF THE COURT UNLESS YOU EXCLUDED YOURSELF FROM THE CLASS.

SUBMISSION OF A PROOF OF CLAIM DOES NOT ASSURE THAT YOU WILL SHARE IN THE BENEFITS OF THE SETTLEMENT.

CLAIMANT'S STATEMENT

1. I (we) purchased a SecurePlus Provider and/or SecurePlus Paragon indexed universal life insurance Policy during the Class Period, resided in California at the time the Policy was issued by LICS, and received an illustration *on or before* the date of policy application. (Do not submit this Proof of Claim Form if you did not purchase a SecurePlus Provider and/or SecurePlus Paragon indexed universal life insurance Policy during the Class Period, did not reside in California at the time the Policy was issued by LICS, and/or did not receive an illustration *on or before* the date of policy application.)
2. By submitting this Proof of Claim Form, I (we) state that I (we) believe in good faith that I am (we are) a Class Member(s) as defined above and in the Notice of Pendency and Proposed Settlement of Class Action ("Notice"), or am (are) acting for such person(s); that I am (we are) not a Defendant in the Action or anyone excluded from the Class; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive the Cash Relief Option, Surrender Charge Credit, or Term Insurance Relief, as defined in the Notice; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Class Member (*e.g.*, as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)
3. I (we) have set forth where requested below all relevant information with respect to each Paragon or Provider Policy I purchased during the Class Period that causes me to fall within the Class (the "Underlying Life Insurance Policy"). I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.
4. I (we) consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim Form. I (we) understand and agree that my (our) claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Class Member(s) and the validity and amount of my (our) claim. No discovery shall be allowed on the merits of the Action or Settlement in connection with processing of the Proof of Claim Form.
5. I (we) understand that the information contained in this Proof of Claim Form is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most claims. The Claims Administrator may request additional information as required to efficiently and reliably

calculate your recognized claim. In some cases, the Claims Administrator may condition acceptance of the claim based upon the production of additional information.)

6. I (we) agree and acknowledge that my (our) signature(s) hereto confirms my understanding that the Court's approval of the Settlement, as detailed in the Notice, shall effect and constitute a full and complete release, remise, and discharge by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers, and assigns (or, if I am (we are) submitting this Proof of Claim Form on behalf of a corporation, a partnership, estate, or one or more other persons, by it, him, her, or them, and by its, his, her, or their heirs, executors, administrators, predecessors, successors, and assigns) of each of the "Released Defendant Parties" of all "Released Plaintiffs' Claims," as those terms are defined in the Stipulation.
7. I (we) agree and acknowledge that my (our) signature(s) hereto confirms my understanding that the Court's approval of the Settlement, as detailed in the Notice, shall effect and constitute a covenant by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers, and assigns (or, if I am (we are) submitting this Proof of Claim Form on behalf of a corporation, a partnership, estate, or one or more other persons, by it, him, her, or them, and by its, his, her, or their heirs, executors, administrators, predecessors, successors, and assigns) to permanently refrain from prosecuting or attempting to prosecute any Released Plaintiffs' Claims against any of the Released Defendant Parties.
8. "Released Defendant Parties" has the meaning laid out in the Stipulation.
9. "Released Plaintiffs' Claims" has the meaning laid out in the Stipulation.
10. "Unknown Claims" has the meaning laid out in the Stipulation.
11. I (we) acknowledge that the inclusion of "Unknown Claims" in the definition of Released Plaintiffs' Claims pursuant to the Stipulation was separately bargained for and is a material element of the Settlement of which the release is a part.
12. NOTICE REGARDING ONLINE FILING: Claimants may submit their claims online using the electronic version of the Proof of Claim Form hosted at www.lswclassaction.com.

I. CLAIMANT INFORMATION

Name:		
Address:		
City:	State:	ZIP:
Foreign Province:	Foreign Country:	
Day Phone:	Evening Phone:	
Email:		
Social Security Number (for individuals):	OR	Taxpayer Identification Number (for estates, trusts, corporations, etc.):

II. POLICY INFORMATION

Policy Number(s) of the Paragon or Provider Universal Life Insurance Policy (or Policies) That Entitles You to Participate In the Settlement:

III. RELIEF ELECTION

Please indicate your relief election(s) by signing your initials in one of the boxes below. Please ensure that you meet the eligibility criteria when electing relief. Electing relief for which you are not eligible may delay your claim or cause it to be denied.

Relief	Eligibility Requirements
<p>Cash Relief Option</p> <p>Please initial here:</p> <p>_____ if you elect to receive the Cash Relief Option as further described in the Notice.</p>	<p>You are entitled to the Cash Relief Option only if you meet all of the following criteria:</p> <ul style="list-style-type: none"> • You are a Class Member and elect the Cash Relief Option on this form (immediately to the left by signing your initials); and • You have not elected the Term Insurance Relief (below). <i>You may not elect both the Cash Relief Option and Term Insurance Relief.</i>
<p>Term Insurance Relief</p> <p>Please initial here:</p> <p>_____ if you elect to receive Term Insurance Relief as further described in the Notice.</p>	<p>You are entitled to Term Insurance Relief only if you meet all of the following criteria:</p> <ul style="list-style-type: none"> • You are a Class Member and elect the Term Insurance Relief on this form (immediately to the left by signing your initials); • The insured on your Underlying Life Insurance Policy is still living; and • You have not elected the Cash Relief Option (above). <i>You may not elect both the Cash Relief Option and Term Insurance Relief.</i>
<p>Surrender Charge Credit</p> <p>Please initial here:</p> <p>_____ if you elect to fully surrender your Underlying Life Insurance Policy, incur any applicable surrender charge, and receive the Surrender Charge Credit as further described in the Notice.</p>	<p>You are entitled to Surrender Charge Credit if you meet all of the following criteria:</p> <ul style="list-style-type: none"> • You are a Class Member and elect Surrender Charge Credit on this form (immediately to the left by signing your initials); and • You have an in force Underlying Life Insurance Policy <i>and you wish to fully surrender it, including incurring a surrender charge as applicable under your Policy. Electing this relief will result in the full surrender of your Underlying Life Insurance Policy and you will incur any applicable surrender charge before the Surrender Charge Credit is distributed.</i>

IV. CERTIFICATION

I (We) submit this Proof of Claim Form under the terms of the Stipulation described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Central District of California, with respect to my (our) claim as a Class Member and for purposes of enforcing the release and covenant not to described herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in this Action. I (We) have not submitted any other claim covering the same Underlying Life Insurance Policy or Policies during the Class Period and know of no other Person having done so on my (our) behalf.

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding; or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY UNDER THE LAWS OF THE UNITED STATES, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT, AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign):

(Signature)

(Signature)

(Capacity of person(s) signing, e.g., beneficial purchaser(s), executor, administrator, trustee, etc.)
Check here if proof of authority to file is enclosed.
(See Item 2 under Claimant’s Statement)

Date: _____

THIS PROOF OF CLAIM AND RELEASE FORM MUST BE SUBMITTED NO LATER THAN [REDACTED], 2021 AND MUST BE MAILED TO:

Walker v. LICS Class Action
c/o Epiq Class Action & Claims Solutions, Inc.
P.O. Box 5053
Portland, OR 97208-5053

A Proof of Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by [REDACTED], 2021 and if a postmark is indicated on the envelope and it is mailed first class and addressed in accordance with the above instructions. In all other cases, a Proof of Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

The Claims Administrator will acknowledge receipt of your Proof of Claim Form by mail or e-mail within [REDACTED] days of receipt. Your claim is not deemed filed until you receive such an acknowledgement. If you do not receive an acknowledgement within [REDACTED] days, please contact the Claims Administrator by telephone toll free at 1-877-432-3865 or by e-mail at info@lswclassaction.com.

If you elect the Term Insurance Relief or Surrender Charge Credit on this Proof of Claim Form, please complete and submit the accompanying Term Insurance Application or Surrender Form. In order to receive a Term Insurance Policy or Surrender Charge Credit, you must timely submit to the Claims Administrator a valid and complete Term Insurance Application or Surrender Form, respectively, with this Proof of Claim Form.

You should be aware that it will take a significant amount of time to process fully all of the Proof of Claim Forms and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim Form. Please notify the Claims Administrator of any change of address.

REMINDER CHECKLIST

- Please be sure to sign this Proof of Claim Form on page 6. If this Proof of Claim Form is submitted on behalf of joint claimants, then each claimant must sign.
- If you move or change your address, telephone number, or e-mail address, please submit the new information to the Claims Administrator, as well as any other information that will assist us in contacting you. NOTE: Failure to submit updated information to the Claims Administrator may result in the Claims Administrator's inability to contact you regarding issues with your claim or deliver payment to you.