

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

In re WALTER ENERGY, INC.	)	Master File No. 2:12-cv-00281-VEH
SECURITIES LITIGATION	)	
_____	)	<u>CLASS ACTION</u>
	)	
This Document Relates To:	)	
	)	
ALL ACTIONS.	)	
	)	
_____	)	

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement, dated July 15, 2015 (the “Stipulation” or the “Settlement Agreement”), submitted pursuant to Rule 23 of the Federal Rules of Civil Procedure and Rule 408 of the Federal Rules of Evidence, embodies a settlement (the “Settlement”), subject to Court approval, is made and entered into by and among the following Settling Parties: (i) the Government of Bermuda Contributory and Public Service Superannuation Pension Plans (“Bermuda”) and Stephen C. Beaulieu, as Trustee of the Stephen C. Beaulieu Revocable Trust (“Beaulieu”) (collectively, “Lead Plaintiffs”), on behalf of themselves and each of the other members of the Settlement Class, as defined in ¶¶1.21-1.22, *infra*, on the one hand, and (ii) Keith Calder (“Calder”), Walter J. Scheller (“Scheller”), Neil Winkelmann (“Winkelmann”), and Joseph B. Leonard (“Leonard”) (collectively, “Defendants”)<sup>1</sup>, on the other hand, by and through their counsel of record in the above-captioned litigation pending in the United States District Court for the Northern District of Alabama, Southern Division (the “Action”). This Stipulation is intended by the parties to fully, finally, and forever resolve, discharge, and settle the Released Claims, as defined in ¶1.18, *infra*, upon and subject to the terms and conditions hereof and subject to the approval of the Court. Throughout this Stipulation, all capitalized

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<sup>1</sup> On June 12, 2015, the Court issued an Order dismissing, without prejudice, all claims brought against Walter Energy, Inc. (“Walter Energy” or the “Company”) as a named defendant in this litigation. *See* Dkt. No. 107.

terms used, but not immediately defined, have the meanings given to them in Section IV.1, *infra*.

## **I. THE LITIGATION**

This case is currently pending before the Honorable Virginia Emerson Hopkins in the United States District Court for the Northern District of Alabama, Southern Division (the “Court”), and was brought on behalf of a class of all persons who purchased or acquired Walter Energy common stock between April 20, 2011 and September 21, 2011 (the “Settlement Class Period,” as defined at ¶1.23 herein), and were damaged thereby.

The initial complaint, captioned *Rush v. Walter Energy, Inc.*, was filed on January 27, 2012. Dkt. No. 1. After consolidating *Rush v. Walter Energy, Inc.* with a second action, captioned *Carney v. Walter Energy, Inc.*, on June 6, 2012, the Court issued an order pursuant to the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), 15 U.S.C. §§78u-4 *et seq.*, appointing Bermuda and Beaulieu as Lead Plaintiffs, and Robbins Geller Rudman & Dowd LLP (“Robbins Geller”) and Kessler Topaz Meltzer & Check, LLP (“Kessler Topaz”) as Lead Counsel to represent the proposed class. Dkt. No. 25.

Lead Plaintiffs filed the Consolidated Amended Class Action Complaint (the “Complaint”) on August 20, 2012. Dkt. No. 35. Defendants filed their motion to dismiss on October 4, 2012. Dkt. No. 41. On November 19, 2012, Lead Plaintiffs filed their opposition to Defendants’ motion to dismiss. Dkt. No. 45. On December 12,

2012, Defendants filed their reply in support of the motion to dismiss. Dkt. No. 50. On January 29, 2013, the Court issued an order denying Defendants' motion to dismiss. *See* Dkt. No. 51. On August 15, 2013, Lead Plaintiffs moved to certify the proposed class pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure. Dkt. Nos. 58-60. On February 19, 2014, Defendants filed their opposition to Lead Plaintiffs' motion for class certification under seal. Dkt. No. 72. In their opposition, Defendants requested that the Court stay any decision on class certification until after the Supreme Court issued its opinion in *Halliburton Co. v. Erica P. John Fund, Inc.* ("*Halliburton I*"). Lead Plaintiffs filed their reply brief under seal on March 17, 2014. *See* Dkt. No. 75. On March 18, 2014, the Court denied Lead Plaintiffs' class certification motion without prejudice, and stayed all proceedings in the case until the Supreme Court ruled in *Halliburton II*. Dkt. No. 76. On June 23, 2014, the Supreme Court issued its opinion in *Halliburton II*. *See Halliburton Co. v. Erica P. John Fund, Inc.*, 134 S. Ct. 2398, 2417 (2014).

On August 29, 2014, the Court issued an order allowing the parties to re-brief class certification in light of *Halliburton II*, yet maintained its previously entered order, staying all proceedings until it issued its decision on Lead Plaintiffs' renewed motion for class certification. *See* Dkt. No. 79. On August 29, 2014, Lead Plaintiffs filed their renewed motion for class certification. Dkt. Nos. 80-82. Defendants filed their opposition to Lead Plaintiffs' renewed motion for class certification on October 28, 2014. Dkt. Nos. 84-85. On February 9, 2015, Lead Plaintiffs filed their

reply in support of class certification. *See* Dkt. Nos. 97-98. On May 14, 2015, the Court denied Lead Plaintiffs' motion for class certification without prejudice, in light of the expected settlement. Dkt. No. 104.

Beginning in 2013, the parties engaged in arm's-length negotiations in an effort to resolve the litigation, including in-person mediation sessions, with the assistance of Hon. Daniel Weinstein (Ret.), a former judge who acted as mediator. On May 1, 2015, the parties agreed to settle the Action based on the proposal of Judge Weinstein. On June 11, 2015, the parties' counsel executed a binding Term Sheet setting forth material terms of the parties' agreement to settle the litigation.

## **II. CLAIMS OF LEAD PLAINTIFFS AND BENEFITS OF SETTLEMENT**

Lead Plaintiffs and Lead Counsel believe that the claims asserted in the Action have merit, but Lead Plaintiffs and Lead Counsel recognize and acknowledge the expense and risk inherent in continued proceedings necessary to prosecute the Action against the Defendants through trial. Lead Plaintiffs and Lead Counsel have taken into account the uncertain outcome and risks in connection with Defendants' opposition to class certification, and, if class certification were granted, future expert testimony, Defendants' anticipated summary judgment motion(s), and potentially a jury trial, especially in complex matters such as this Action, as well as the risks posed by and the difficulties and delays relating to post-trial motions, and potential appeals of the Court's determination of said motions, or a jury verdict. Lead Plaintiffs and

Lead Counsel also are aware of the risks presented by the defenses to the securities law violations asserted in the Action. Lead Plaintiffs and Lead Counsel believe that the Settlement set forth in this Stipulation confers substantial benefits upon the Settlement Class in light of the circumstances present here. Based on their evaluation, Lead Plaintiffs and Lead Counsel have determined that the Settlement set forth in this Stipulation is in the best interests of Lead Plaintiffs and the Settlement Class.

### **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

Defendants have denied and continue to deny that they have violated the federal securities laws and maintain that their conduct was at all times proper and in compliance with all applicable provisions of law. Defendants have denied and continue to deny specifically each and all of the claims and contentions of wrongful conduct alleged in the Action, along with all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action. Defendants also have denied and continue to deny, *inter alia*, the allegations that they knowingly or otherwise, made any material misstatements or omissions; that any member of the Settlement Class has suffered any damages; that the price of Walter Energy common stock was artificially inflated by reason of the alleged misrepresentations, omissions, or otherwise; that the members of the Settlement Class were harmed by the conduct alleged in the Action or that could have been alleged as part of the Action; or that Defendants knew or were

reckless with respect to the alleged misconduct. In addition, the Defendants maintain that they have meritorious defenses to all claims alleged in the Action and believe that the evidence developed to date supports their position that they acted properly at all times.

Nonetheless, taking into account the uncertainty, risks, costs and burdens inherent in any litigation, especially in complex cases such as this Action, Defendants have concluded that further litigation could be protracted and distracting. Defendants have, therefore, determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in this Stipulation. As set forth in ¶12.2 below, this Stipulation shall in no event be construed as or deemed to be evidence of an admission or concession by Defendants or any of the Released Persons with respect to any allegation or claim of any fault or liability or wrongdoing or damage whatsoever.

#### **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Lead Plaintiffs (on their behalf and on behalf of the other members of the Settlement Class), on the one hand, and Defendants, on the other hand, by and through their respective counsel of record, that, subject to the approval of the Court, pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, in consideration of the benefits flowing to the parties from the Settlement set forth herein, the Released Claims shall

be finally and fully compromised, settled, and released, and the Action shall be dismissed with prejudice, upon and subject to the terms and conditions of the Stipulation, as follows.

**1. Definitions**

As used in this Stipulation the following terms have the meanings specified below:

1.1 “Authorized Claimant” means any member of the Settlement Class who submits a timely and valid Proof of Claim and Release form and whose claim for recovery has been allowed pursuant to the terms of the Stipulation.

1.2 “Claims Administrator” means the firm of Epiq Systems, Inc.

1.3 “Class Notice and Administration Costs” means the fees and costs associated with providing notice to the Settlement Class and the administration of the Settlement, including, without limitation, the costs and fees connected with: (i) identifying and locating members of the Settlement Class; (ii) mailing the Notice and Proof of Claim and Release, and publishing the Summary Notice (such amounts shall include, without limitation, the actual costs of publication, printing and mailing the Notice, and reimbursement to nominee owners for forwarding notice to their beneficial owners); (iii) soliciting Settlement Class claims; (iv) assisting with the filing of claims; administering and distributing the Net Settlement Fund to Authorized Claimants; (v) processing Proof of Claim and Release forms; and (vi) paying escrow fees and costs, if any.

1.4 “Effective Date” means the first date by which all of the events and conditions specified in ¶8.1 of the Stipulation have been met and have occurred.

1.5 “Escrow Account” means the account controlled by the Escrow Agent. Wire transfer details shall be provided to Defendants at least five (5) business days prior to any transfers required to be made into the Escrow Account.

1.6 “Escrow Agent” means Robbins Geller and Kessler Topaz or their respective successor(s).

1.7 “Final” means subject to ¶9.1 below, when the last of the following with respect to the Judgment approving the Settlement, in the form of Exhibit B attached hereto, has occurred: (i) the expiration of the time to file a motion to alter or amend the Judgment under Federal Rule of Civil Procedure 59(e) has passed without any such motion having been filed; (ii) the expiration of the time in which to appeal the Judgment has passed without any appeal having been taken; and (iii) if a motion to alter or amend is filed or if an appeal is taken, the determination of that motion or appeal in such a manner as to permit the consummation of the Settlement, in accordance with the terms and conditions of this Stipulation. For purposes of this paragraph, an “appeal” shall include any petition for a writ of certiorari or other writ that may be filed in connection with approval or disapproval of this Settlement, but shall not include any appeal that concerns only the issue of attorneys’ fees and expenses or any Plan of Allocation of the Settlement Fund.

1.8 “Judgment” means the judgment and order of dismissal with prejudice to be rendered by the Court upon approval of the Settlement, substantially in the form attached hereto as Exhibit B.

1.9 “Lead Counsel” means Robbins Geller and Kessler Topaz.

1.10 “Lead Plaintiffs” means Bermuda and Beaulieu.

1.11 “Net Settlement Fund” means the Settlement Fund less: (i) Court-awarded attorneys’ fees and expenses; (ii) Class Notice and Administration Costs; (iii) Taxes and Tax Expenses; and (iv) any other fees or expenses approved by the Court.

1.12 “Notice” means the Notice of Pendency and Proposed Settlement of Class Action to be sent to Settlement Class Members, which, subject to approval of the Court, shall be substantially in the form attached hereto as Exhibit A-1.

1.13 “Notice Escrow Account” means the escrow account maintained by Lead Counsel for the payment of Class Notice and Administration Costs.

1.14 “Person” means any legal person, including any individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and his, her or its spouses, heirs, predecessors, successors, representatives, or assignees.

1.15 “Plaintiffs’ Counsel” means Lead Counsel and any counsel who appeared in the Action on behalf of Lead Plaintiffs.

1.16 “Plan of Allocation” means a plan or formula for allocating the Net Settlement Fund whereby the Net Settlement Fund shall be distributed to Authorized Claimants. Any Plan of Allocation is not part of the Stipulation and the Released Persons shall have no responsibility or liability with respect to the Plan of Allocation.

1.17 “Related Persons” means, with respect to Walter Energy and the Defendants, any and/or all of their immediate families, parent entities, business units, business divisions, associates, affiliates or subsidiaries and each and all of their past, present, or future officers, directors, stockholders, employees, attorneys, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, insurers, engineers, advisors or agents, heirs, executors, trustees, general or limited partners or partnerships, personal representatives, estates, administrators, and each of their respective predecessors, successors, and assigns.

1.18 “Released Claims” means any and all claims arising out of or relating to both: (i) the purchase or acquisition of Walter Energy common stock during the Settlement Class Period; and (ii) the acts, facts, statements, omissions or damages that were or could have been alleged in the Action, including any and all claims, demands, losses, rights, causes of action, liabilities, obligations, judgments, suits, matters and issues of any kind or nature whatsoever, whether known or Unknown Claims, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, that have been or could have been asserted in the Action or in any court, tribunal, forum or proceeding (including, but not limited to, any claims arising under federal, state,

foreign, or common law, or any statute, rule or regulation relating to alleged fraud, breach of any duty, negligence, violations of the federal securities laws, or otherwise and including all claims within the exclusive jurisdiction of the federal courts), whether individual, class, direct, representative, legal, equitable or any other type or in any other capacity, against the Released Persons, which Lead Plaintiffs or any member of the Settlement Class, or their legal representatives, heirs, successors-in-interest, transferees and assigns of all such foregoing holders, ever had, now has, or hereafter can, shall, or may have had, provided that Released Claims does not include claims to enforce the terms of the Settlement and the claims asserted in the following pending actions:

- (i) *In re Walter Energy, Inc. Derivative Litig.*, Lead Case No. 2:12-cv-719-RDP (N.D. Ala.) (Consolidated with 2:12-cv-3476-JHE);
- (ii) *In re Walter Energy, Inc. Shareholder Derivative Litig.*, Master File No. 01-CV-2012-900406 (Consolidated with Case Nos. 01-CV-2012-900451 and 01-CV-2012-900503) (10th Jud. Cir., Jefferson Cty., Ala.).

1.19 “Released Persons” means Walter Energy, Inc., each and all of the Defendants, and each and all of Walter Energy’s and Defendants’ Related Persons.

1.20 “Settlement Amount” means Twenty Five Million U.S. Dollars (\$25,000,000.00). Such amount is to be paid as consideration for full and complete settlement of all the Released Claims.

1.21 “Settlement Class” means all persons and entities that purchased or otherwise acquired the publicly traded common stock of Walter Energy between April 20, 2011 and September 21, 2011, and were damaged thereby. Excluded from the Settlement Class are Walter Energy and the Defendants, Defendants’ immediate families, any person, firm, trust, corporation, officer, director or other individual or entity in which any current or former defendant has a controlling interest, and the legal representatives, affiliates, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Settlement Class is any Person who elects to exclude himself, herself, or itself from the Settlement Class on a timely basis in response to and in accordance with the provisions set forth in the Notice to be sent to potential Settlement Class Members.

1.22 “Settlement Class Member” means a Person who falls within the definition of the Settlement Class as set forth in ¶1.21 of this Stipulation.

1.23 “Settlement Class Period” means the period between April 20, 2011 and September 21, 2011.

1.24 “Settlement Fund” means the Settlement Amount paid by or on behalf of Defendants, together with all interest and income earned thereon after being

transferred to the Escrow Account and the STB Escrow Account pursuant to ¶4.1 of this Stipulation.

1.25 “Settling Parties” means Lead Plaintiffs on behalf of themselves and the other Settlement Class Members, and Defendants.

1.26 “STB Escrow Account” means an escrow account of Simpson Thacher & Bartlett LLP.

1.27 “Summary Notice” means the Summary Notice, which, subject to approval of the Court, shall be substantially in the form attached hereto as Exhibit A-3.

1.28 “Tax” and “Tax Expenses” are defined in ¶4.11.

1.29 “Unknown Claims” means any and all Released Claims that Lead Plaintiffs and/or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons, and any and all Released Claims that the Released Persons do not know or suspect to exist in his, her or its favor, which if known by him, her or it might have affected his, her or its settlement with and release of the Released Persons (or Lead Plaintiffs, Plaintiffs’ Counsel and the members of the Settlement Class, as appropriate), or might have affected his, her or its decision not to object to this Settlement or not exclude himself, herself or itself from the Settlement Class. With respect to any and all Released Claims, the parties stipulate and agree that, upon the Effective Date, Lead Plaintiffs and Defendants shall expressly waive, and each Settlement Class Member and

Released Person shall be deemed to have waived, and by operation of the Order and Final Judgment shall have expressly waived, to the fullest extent permitted by law, any and all provisions, rights and benefits conferred by Cal. Civ. Code §1542, and any law of any state or territory of the United States, or principle of common law, or the law of any foreign jurisdiction, that is similar, comparable or equivalent to Cal. Civ. Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiffs and other Settlement Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Lead Plaintiffs shall expressly, and each other Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Order and Final Judgment shall have, fully, finally and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiffs and Defendants

acknowledge, and Settlement Class Members and Released Persons by law and operation of the Order and Final Judgment shall be deemed to have acknowledged, that the foregoing waiver was separately bargained for and is an essential term of the Settlement of which this release is a part.

**2. CAFA Notice**

2.1 Pursuant to the Class Action Fairness Act (“CAFA”), 28 U.S.C. §1715, no later than ten (10) days after the Settlement Agreement is filed with the Court, Defendants, at their own cost, shall serve proper notice of the proposed Settlement upon those who are required to be provided notice pursuant to CAFA.

**3. Release**

3.1 The obligations incurred pursuant to this Stipulation shall be in full and final disposition of the Action as against Defendants and any and all of the Settlement Class Members’ Released Claims as against all Released Persons.

3.2 Upon the Effective Date of this Settlement, Lead Plaintiffs and all Settlement Class Members and their predecessors, successors, agents, representatives, attorneys, and affiliates, and the heirs, executors, administrators, successors, and assigns of each of them, in their capacity as such, whether or not such Person submits a Proof of Claim and Release form, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, dismissed, and discharged the respective Settlement Class Member’s Released Claims against each

and all of the Released Persons, with prejudice and on the merits, without costs to any party.

3.3 Upon the Effective Date of this Settlement, Defendants and each of the other Released Persons shall be deemed to, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, dismissed, and discharged all claims against Lead Plaintiffs, Plaintiffs' Counsel, and any other Settlement Class Member, arising out of the initiation, litigation or resolution of the Action.

#### **4. The Settlement**

##### **a. The Settlement Fund**

4.1 In consideration of the full and final settlement, satisfaction, compromise, and release of the Released Claims, other than as set forth in ¶9.1, the Settlement Amount of \$25 million will be paid by the Defendants' insurers as follows:

(a) \$24.5 million shall be paid in cash into the Escrow Account within ten (10) business days after the Court's entry of preliminary approval; and

(b) \$500,000 shall be paid in cash by Axis Insurance Company into the STB Escrow Account within fifteen (15) business days after submission of Lead Plaintiffs' motion for preliminary approval of the Settlement, provided that if the circumstances specified in ¶9.1 requiring a Bankruptcy Court Order have arisen prior to such payment, no payment shall be made under this ¶4.1(b) and instead the amount to be paid under ¶4.1(a) shall be increased from \$24.5 million to \$25.0 million.

4.2 Any fees of the Escrow Account shall be paid from the Settlement Fund. The Settlement Amount is an all-in settlement number, meaning that it includes all attorneys' fees, administration costs, expenses, Settlement Class Member benefits, as well as any other costs, expenses, or fees of any kind whatsoever associated with the resolution of this matter. Once the above-described payments are made, the Released Persons shall have no further monetary obligations of any sort or kind to Lead Plaintiffs, other members of the Settlement Class, or any of Plaintiffs' Counsel under the terms and conditions of the Settlement, or for Class Notice and Administration Costs.

4.3 The Settlement Amount, plus any interest accrued thereon, is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation §1.468B-1.

**b. The Escrow Agent**

4.4 The Escrow Agent shall invest the Settlement Fund deposited pursuant to ¶4.1 hereof in instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof, including a United States Treasury Money Market Fund or a bank account fully insured by the United States Government Federal Deposit Insurance Corporation ("FDIC") up to the guaranteed FDIC limit and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. All costs and risks related to the investment of the Settlement Fund in accordance with the guidelines set forth in this paragraph shall be borne by the Settlement Fund.

4.5 The Escrow Agent shall not disburse the Settlement Fund except: (i) as provided in the Stipulation; (ii) by an order of the Court; or (iii) with the written agreement of counsel for the Settling Parties.

4.6 Subject to further order(s) and/or directions as may be made by the Court, or as provided in the Stipulation, the Escrow Agent is authorized to execute such transactions as are consistent with the terms of the Stipulation. The Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to, the actions of the Escrow Agent, or any transaction executed by the Escrow Agent.

4.7 All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed or returned to the parties who deposited such funds pursuant to the Stipulation and/or further order(s) of the Court.

**c. Class Notice and Administration Costs**

4.8 Within 48 hours (2 business days) after the Court's entry of preliminary approval, provided that the STB Escrow Account was funded in accordance with ¶4.1 above, Simpson Thacher & Bartlett LLP will remit \$500,000, plus any interest earned thereon, from the STB Escrow Account to the Notice Escrow Account designated by Lead Counsel to pay Class Notice and Administration Costs. Simpson Thacher & Bartlett LLP shall have no obligation to remit any payment if the STB Escrow Account is not funded pursuant to ¶4.1(b). Lead Plaintiffs shall provide wire transfer

details for the Notice Escrow Account two (2) business days prior to when such payment is to be paid.

4.9 Prior to the Effective Date, Lead Counsel, without further approval of Defendants or the Court, may pay from the Notice Escrow Account all reasonable and necessary Class Notice and Administration Costs. Prior to the Effective Date, subject to ¶9.1 below, payment of any Class Notice and Administration Costs exceeding the amount in the Notice Escrow Account shall be made from the Escrow Account and shall require notice to and agreement from the Defendants, through Defendants' counsel, which agreement shall not be unreasonably refused. Subsequent to the Effective Date, without further approval by Defendants or the Court, the Notice Escrow Account and the Escrow Account may be used by Lead Counsel to pay all reasonable and necessary Class Notice and Administration Costs. If total Class Notice and Administration Costs turn out to be less than \$500,000, Lead Counsel shall cause the difference to be paid from the Notice Escrow Account to the Escrow Account.

4.10 It shall be Lead Counsel's sole responsibility to disseminate the Notice and Summary Notice to the Settlement Class in accordance with this Stipulation and as ordered by the Court. If the Settlement is funded as set forth in Section 4, Settlement Class Members shall have no recourse as to the Released Persons with respect to any claims they may have that arise from any failure of the notice process or claims administration.

**d. Taxes: Qualified Settlement Fund**

4.11 (a) The Settling Parties agree to treat the Settlement Fund as being at all times a “Qualified Settlement Fund” within the meaning of Treasury Regulation §1.468B-1. In addition, the Escrow Agent shall timely make such elections as necessary or advisable to carry out the provisions of this ¶4.11(a), including the “relation-back election” (as defined in Treasury Regulation §1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to timely and properly prepare and deliver, or cause to be prepared and delivered, the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

(b) For the purpose of §468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Escrow Agent. The Escrow Agent shall timely and properly file, or cause to be filed, all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including, without limitation, the returns described in Treasury Regulation §1.468B-2(k)). Such returns (as well as the election described in ¶4.11(a) hereof) shall be consistent with this ¶4.11(b) and in all events shall reflect that all Taxes (including any estimated Taxes, interest, or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶4.11(c) hereof.

(c) All: (i) Taxes (including any estimated Taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon the Released Persons or their counsel with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “Qualified Settlement Fund” for federal or state income tax purposes (“Taxes”); and (ii) expenses and costs incurred in connection with the operation and implementation of this ¶4.11 (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this ¶4.11(b)) (“Tax Expenses”), shall be paid out of the Settlement Fund. In all events the Released Persons and their counsel shall have no liability or responsibility for the Taxes or the Tax Expenses. The Settlement Fund shall indemnify and hold each of the Released Persons and their counsel harmless for Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court or approval of Defendants, and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be

required to be withheld under Treasury Regulation §1.468B-2(1)(2)); neither the Released Persons nor their counsel are responsible nor shall they have any liability therefor. The Settling Parties hereto agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this ¶4.11.

4.12 In the event the Settlement: (i) is not approved; (ii) is terminated, canceled, or fails to become effective for any reason, including, without limitation, in the event the Judgment is reversed or vacated following any appeal taken therefrom; or (iii) is successfully collaterally attacked, the Settlement Fund (including accrued interest) less expenses actually incurred or due and owing for Class Notice and Administration Costs, Taxes or Tax Expenses pursuant to ¶¶4.9 or 4.11, shall be refunded pursuant to written instructions from Defendants' counsel within ten (10) business days of receipt of such written instructions.

## **5. Notice Order and Settlement Hearing**

5.1 Within one (1) business day after execution of the Stipulation, the Settling Parties shall submit the Stipulation together with its exhibits (the "Exhibits") to the Court and shall apply for entry of an order (the "Notice Order"), in the form of Exhibit A attached hereto, requesting, *inter alia*, the preliminary approval of the Settlement set forth in the Stipulation and approval of the mailing of the Notice and publication of the Summary Notice, in the forms of Exhibits A-1 and A-3 attached hereto. The Notice shall set forth, among other things, the terms of the Stipulation,

including the proposed Plan of Allocation and Lead Counsel's request for attorneys' fees and expenses and any expenses awardable to Lead Plaintiffs; the date and time of the Settlement Hearing; the right to object to the Settlement, proposed Plan of Allocation, or request for fees, costs and expenses; the right to appear at the Settlement Hearing; and the right to request exclusion from the Settlement Class.

5.2 Lead Counsel shall request that after notice is given to the Settlement Class, the Court hold a hearing (the "Settlement Hearing") and approve the Settlement of the Action as set forth herein. At or after the Settlement Hearing, Lead Counsel also shall request that the Court approve the proposed Plan of Allocation and the Fee and Expense Application.

**6. Administration and Calculation of Claims, Final Awards, and Supervision and Distribution of the Settlement Fund**

6.1 The Claims Administrator, subject to such supervision and direction of Lead Counsel and the Court as may be necessary or as circumstances may require, shall provide notice of the Settlement to the Settlement Class, shall administer and calculate the claims submitted by Settlement Class Members, and shall oversee distribution of the Net Settlement Fund to Authorized Claimants.

6.2 Defendants and their counsel shall make good faith efforts to provide within ten (10) business days following the entry of preliminary approval, and without any charge to Lead Plaintiffs or the Settlement Class, shareholder lists, as appropriate for providing notice to the Settlement Class. In accordance with the schedule set forth

in the Notice Order, Lead Counsel will cause the Notice, substantially in the form of Exhibit A-1 attached hereto, and a Proof of Claim and Release, substantially in the form of Exhibit A-2 attached hereto, to be mailed by the Claims Administrator to all shareholders of record, or nominees. The Notice and Proof of Claim and Release form shall also be posted on the Claims Administrator's website. In accordance with the schedule set forth in the Notice Order, the Summary Notice, substantially in the form of Exhibit A-3 attached hereto, will also be published once in the national edition of *Investor's Business Daily* and once over a national newswire service.

6.3 The Settlement Fund shall be applied as follows:

(a) to pay all Class Notice and Administration Costs, first out of the Notice Escrow Account, and once the Notice Escrow Account is exhausted, then from the Escrow Account;

(b) to pay the Taxes and Tax Expenses described in ¶4.11 hereof;

(c) to pay Plaintiffs' Counsel's attorneys' fees, costs and expenses, if and to the extent allowed by the Court (the "Fee and Expense Award");

(d) to reimburse Lead Plaintiffs for their time and expenses incurred representing the Settlement Class pursuant to 15 U.S.C. §78u-4(a)(4), if and to the extent allowed by the Court; and

(e) after the Effective Date, to distribute the Net Settlement Fund to Authorized Claimants as allowed by the Stipulation, the Plan of Allocation, or the Court.

6.4 Upon the Effective Date and thereafter, and in accordance with the terms of the Stipulation, the Plan of Allocation, or such further approval and further order(s) of the Court as may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Authorized Claimants, subject to and in accordance with the following.

6.5 Each Person claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a completed Proof of Claim and Release, substantially in the form of Exhibit A-2 attached hereto, postmarked or submitted electronically by no later than ninety (90) calendar days after the Notice Date (as defined in Exhibit A attached hereto), or such other time as may be set by the Court (the “Bar Date”), signed under penalty of perjury and supported by such documents as are specified in the Proof of Claim and Release and as are reasonably available to such Person.

6.6 Except as otherwise ordered by the Court, all Settlement Class Members who fail to submit a Proof of Claim and Release by the Bar Date, or such other period as may be ordered by the Court, or who submit a Proof of Claim and Release that is rejected as deficient and not cured, shall be forever barred from receiving any payments pursuant to the Stipulation and the Settlement set forth herein, but will in all other respects be subject to and bound by the provisions of the Stipulation, the releases contained herein, and the Judgment. Upon the Effective Date of this Settlement, all Settlement Class Members and anyone claiming through or on behalf

of any of them, will be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, or administrative forum that tries to assert the Released Claims against any of the Released Persons. Notwithstanding the foregoing, Lead Counsel shall have the discretion, but not the obligation, to accept for processing late-submitted claims so long as the distribution (or redistribution) of the Net Settlement Fund to Authorized Claimants is not materially delayed as a result.

6.7 The Claims Administrator shall calculate the claims of Authorized Claimants in accordance with the Plan of Allocation. Following the Effective Date, the Claims Administrator shall send to each Authorized Claimant his, her, or its *pro rata* share of the Net Settlement Fund. No distributions will be made to Authorized Claimants whose distribution would be less than \$10.00.

6.8 Once the Settlement becomes Final, Defendants shall not have a reversionary interest in the Net Settlement Fund. If there is any balance remaining in the Net Settlement Fund after at least six (6) months from the date of the initial distribution of the Net Settlement Fund, Lead Counsel shall, if feasible, distribute such balance among Authorized Claimants in an equitable and economical fashion. These redistributions shall be repeated until the balance remaining in the Net Settlement Fund is a *de minimis* amount that can no longer be distributed to Authorized Claimants in an equitable and economical fashion, and such remaining balance shall

then be donated to the following non-profit organization: Legal Aid Society of Birmingham.

6.9 The Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to the distribution of the Net Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of claims, the payment or withholding of Taxes or Tax Expenses, the Escrow Account, the Escrow Agent, or Class Notice and Administration Costs, or any losses incurred in connection with the foregoing. No person shall have any claim of any kind against the Released Persons with respect to the matters set forth in ¶¶6.1-6.12, and the Settlement Class Members, Lead Plaintiffs, and Lead Counsel release the Released Persons from any and all liability and claims arising from or with respect to the distribution of the Net Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of claims, the payment or withholding of Taxes or Tax Expenses, the Escrow Account, the Escrow Agent, or Class Notice and Administration Costs, or any losses incurred in connection with the foregoing.

6.10 Defendants take no position with respect to the Plan of Allocation or any such plan of allocation as may be approved by the Court.

6.11 It is understood and agreed by the Settling Parties that any proposed Plan of Allocation of the Net Settlement Fund, including, but not limited to, any adjustments to an Authorized Claimant's claim set forth therein, is not a part of the Stipulation and is to be considered by the Court separately from the Court's

consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in the Stipulation, and any order or proceeding relating to the Plan of Allocation shall not operate to terminate or cancel the Stipulation or affect the finality of the Court's Judgment approving the Stipulation and the Settlement set forth therein, or any other orders entered pursuant to the Stipulation. Settlement Class Members and Defendants shall be bound by the terms of this Stipulation, irrespective of whether the Court disapproves or modifies the Plan of Allocation.

6.12 No Person shall have any claim against Lead Plaintiffs, Plaintiffs' Counsel, or the Claims Administrator based on distributions made substantially in accordance with the Settlement, the Stipulation, and the Plan of Allocation, or otherwise as further ordered by the Court. No Person shall have any claim against the Released Persons or Defendants' counsel based on the Plan of Allocation or determinations made thereunder; and the Settlement Class Members, Lead Plaintiffs, and Lead Counsel release the Released Persons from any and all liability and claims arising from or with respect to the investment or distribution of the Settlement Fund.

## **7. Lead Counsel's Attorneys' Fees, Costs, Charges and Expenses**

7.1 Lead Counsel may submit an application or applications (the "Fee and Expense Application") for distributions from the Settlement Fund for: (i) an award of attorneys' fees; plus (ii) costs, charges and expenses in connection with prosecuting the Action, plus interest on both amounts at the same rate and for the same periods as

earned by the Settlement Fund (until paid); plus (iii) reimbursement of time and expenses of Lead Plaintiffs in representing the Settlement Class. Any and all such fees, expenses, charges, costs, and interest awarded by the Court shall be payable solely out of the Settlement Fund.

7.2 The attorneys' fees, expenses, charges, costs, and interest, as awarded by the Court, shall be paid to Lead Counsel from the Settlement Fund, as ordered, immediately following the final approval hearing and entry of an order by the Court awarding such fees and expenses. This provision shall apply notwithstanding timely objections to, potential for appeal from, or collateral attack on, the Settlement or the award of fees and expenses. Lead Counsel shall thereafter allocate the attorneys' fees amongst Plaintiffs' Counsel in a manner that Lead Counsel in good faith believes reflects the contributions of such counsel to the prosecution and settlement of the Action. In the event that the Judgment or the order awarding such fees and expenses paid to Lead Counsel pursuant to ¶7.1 is reversed or modified by final non-appealable order, or if the Settlement is cancelled or terminated by a final non-appealable order for any reason, then Lead Counsel shall, in an amount consistent with such reversal or modification, refund such fees or expenses to the Settlement Fund, plus interest earned thereon at the same rate as earned on the Settlement Fund, within ten (10) business days from receiving notice from Defendants' counsel or from a court of competent jurisdiction. Reimbursement of time and expenses of Lead Plaintiffs, as awarded by

the Court, shall be paid to Lead Plaintiffs within ten (10) business days of the Effective Date.

7.3 The procedure for and the allowance or disallowance by the Court of the Fee and Expense Application are not part of the Settlement, and any order or proceeding relating to the Fee and Expense Application, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Settlement, or affect or delay the finality of the Judgment approving the Stipulation and the Settlement of the Action.

7.4 Neither Defendants nor Defendants' insurers shall have any responsibility or liability for any payment of attorneys' fees and expenses to Lead Counsel apart from payment of the Settlement Amount pursuant to ¶4.1.

7.5 Released Persons shall have no responsibility or liability for the allocation among Plaintiffs' Counsel and/or any other Person who may assert some claim thereto, of any Fee and Expense Award that the Court may make in the Action.

**8. Conditions of Settlement, Effect of Disapproval, Cancellation, or Termination**

8.1 The Effective Date of the Stipulation shall be conditioned on satisfaction of the terms and conditions in ¶9.1 and the occurrence of all of the following events:

(a) execution of this Stipulation and such other documents as may be required to obtain final Court approval of the Stipulation in a form satisfactory to the Settling Parties;

(b) the appropriate portions of the Settlement Amount have been deposited into the Escrow Account and the STB Escrow Account;

(c) Defendants have not exercised their option to terminate the Stipulation pursuant to ¶8.3 hereof;

(d) the Court has entered the Notice Order, substantially in the form of Exhibit A hereto, as required by ¶5.1 hereof;

(e) the Court has entered the Judgment, substantially in the form of Exhibit B attached hereto, that, *inter alia*, dismisses with prejudice the Action, as to Lead Plaintiffs and the Defendants, as set forth above; and

(f) the Judgment has become Final, as defined in ¶1.7 hereof.

8.2 This is not a claims-made settlement. As of the Effective Date, Defendants, their insurance carriers, and/or any other such persons or entities funding the Settlement on the Defendants' behalf, shall not have any right to the return of the Settlement Fund or any portion thereof for any reason. Upon the occurrence of all of the events referenced in ¶8.1 hereof, any and all remaining interest or right of Defendants, if any, in or to the Settlement Fund shall be absolutely and forever extinguished. If all of the conditions specified in ¶8.1 hereof are not met, then the Stipulation shall be canceled and terminated subject to ¶¶8.4-8.5 hereof unless Lead Counsel and counsel for Defendants mutually agree in writing to proceed with the Settlement.

8.3 Simultaneously herewith, the Settling Parties are executing a “Supplemental Agreement” setting forth certain conditions under which this Settlement may be withdrawn or terminated at the unanimous discretion of the Defendants if potential Settlement Class Members who meet certain criteria exclude themselves from the Settlement Class. The Supplemental Agreement will not be filed with the Court unless and until a dispute between Lead Plaintiffs and Defendants concerning its interpretation or application arises. Copies of all requests for exclusion received, together with copies of all written revocations of requests for exclusion, shall be promptly delivered to Defendants’ counsel by Lead Counsel. Defendants may terminate the Stipulation and Settlement by filing a written notice of termination with the Court and providing such notice to Lead Counsel on or before ten (10) business days after the receipt of notice by Lead Counsel to Defendants that all requests for exclusion from Settlement Class Members have been received and copies provided to Defendants, on or before five (5) business days after any extended deadline if the Court grants additional time for exclusion for any reason, or at or before the Settlement Hearing, whichever occurs last. In the event that the Defendants file a written notice of termination, Defendants may withdraw their written notice of termination by providing written notice of such withdrawal to Lead Counsel and to the Court by no later than 5:00 PM Central Time on the day prior to the Settlement Hearing, or by such later date as shall be agreed upon in writing as between Lead Counsel and Defendants’ counsel.

8.4 Unless otherwise ordered by the Court, in the event the Stipulation shall terminate, or be canceled, or shall not become effective for any reason, within five (5) business days after written notification of such event is sent by counsel for Defendants or Lead Counsel to the Escrow Agent, the Settlement Fund (including accrued interest) and the Notice Escrow Account (including accrued interest), less Class Notice and Administration Costs, Taxes, and Tax Expenses that have either been incurred or disbursed pursuant to ¶¶4.9 or 4.11 hereof, shall be refunded pursuant to written instructions from Defendants' counsel. The Escrow Agent or its designee shall apply for any tax refund owed on the Settlement Fund and pay the proceeds, after deduction of any expenses incurred in connection with such application(s) for refund, at the written direction of Defendants' counsel.

8.5 In the event that the Stipulation is not approved by the Court or the Settlement set forth in the Stipulation is terminated or fails to become Final in accordance with the terms set forth herein, the Settling Parties shall not forfeit or waive any factual or legal defense or contention in the Action and shall be restored to their respective positions in the Action as of April 30, 2015. In such event, the terms and provisions of the Stipulation, with the exception of ¶¶1.1-1.29, 4.11-4.12, 7.2, 8.4-8.5, 12.4-12.5 hereof, shall have no further force and effect with respect to the Settling Parties and shall not be used in this Action or in any other proceeding for any purpose, and any Judgment or order entered by the Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*, and the Settling Parties shall be

deemed to return to their status as of April 30, 2015, and shall be required to present an amended schedule to the Court. No order of the Court or modification or reversal on appeal of any such order of the Court concerning the Plan of Allocation or the amount of any attorneys' fees, costs, and expenses, and interest awarded by the Court to Lead Counsel shall constitute grounds for cancellation or termination of the Stipulation.

8.6 Lead Plaintiffs shall have the right, but not the obligation, to terminate the Settlement ten (10) calendar days after the failure of Defendants to timely pay the Settlement Amount.

## **9. Bankruptcy**

9.1 Walter Energy is no longer a defendant in the Action, having been dismissed without prejudice by the Court from the Action on June 12, 2015. Nevertheless, in the event that Walter Energy files for bankruptcy protection pursuant to Title 11 of the United States Code (the "Bankruptcy Code") or any other bankruptcy law that gives rise to an automatic bankruptcy stay prior to entry of the Final Judgment approving the Settlement, then the Settling Parties hereto agree that if and when requested by Axis Insurance Company ("Axis") or Federal Insurance Company ("Federal" and, together with Axis, the "Insurers"), the Defendants shall file one or more motions with the bankruptcy court in which Walter Energy's bankruptcy case is then pending (the "Bankruptcy Court") to obtain an order from the Bankruptcy Court (the "Bankruptcy Court Order"), the terms and conditions of which shall be

reasonably acceptable to each of the Settling Parties, the Insurers, and their respective counsel, (a) determining that the payment of the Settlement Amount is not subject to the automatic stay under the Bankruptcy Code in Walter Energy's bankruptcy proceedings, or (b) alternatively modifying the automatic stay to the extent necessary to allow the Settlement Amount to be paid. If the Bankruptcy Court Order is requested, as set forth above, the Defendants will use their reasonable best efforts to obtain promptly the Bankruptcy Court Order and will file a motion or application as soon as practicable after Walter Energy files for bankruptcy protection, but in no event later than two weeks after such bankruptcy filing with a hearing requested for no later than five (5) weeks after such bankruptcy filing, and no portion of the Settlement Amount may be released from either the Escrow Account or the STB Escrow Account, or if bankruptcy filing is made prior to an escrow account being funded, no payment into escrow shall be made by the Insurers, without entry of the Bankruptcy Court Order.

9.2 If bankruptcy proceedings are commenced by Walter Energy prior to the funding of any escrow account by the Insurers pursuant to this Settlement, and either of the Insurers requests that Defendants obtain the Bankruptcy Court Order, the obligations of the Insurers to fund any such escrow accounts, and the obligations of Lead Plaintiffs and Defendants hereunder, shall be deferred until the Bankruptcy Court issues the Bankruptcy Court Order. To that end, within one (1) business day of receiving a request from any Insurer that Defendants seek the Bankruptcy Court

Order, Lead Plaintiffs and Defendants shall advise the District Court that all proceedings contemplated hereunder shall be held in abeyance pending the issuance of the Bankruptcy Court Order. If bankruptcy proceedings are commenced by Walter Energy prior to the District Court's entry of a final judgment by the District Court approving this Settlement Agreement or the Effective Date of this Settlement Agreement occurring, and either of the Insurers requests that the Defendants obtain the Bankruptcy Court Order, it shall be a condition to the Settlement becoming Final, the Effective Date occurring, and the release of any further funds from the Escrow Account or the STB Escrow Account as the case may be that the Bankruptcy Court shall have entered the Bankruptcy Court Order. If (i) bankruptcy proceedings are commenced by Walter Energy, (ii) either of the Insurers requests that the Defendants take appropriate action to obtain the Bankruptcy Court Order, and (iii) the Bankruptcy Court does not enter the Bankruptcy Court Order within eight (8) weeks of the date on which the Defendants file a motion seeking issuance of the Bankruptcy Court Order (unless such deadline is extended by the Lead Plaintiffs in their sole discretion), the Lead Plaintiffs may terminate the Settlement Agreement, and the terms and provisions of this Settlement Agreement, with the exception of ¶¶8.4-8.5 hereof, shall have no further force and effect.

9.3 Lead Plaintiffs will fully cooperate with the Defendants in connection with obtaining the Bankruptcy Court Order and the form of any such order and

accompanying motion or application shall be reasonably acceptable to Lead Plaintiffs, the Defendants, and the Insurers.

9.4 It is expressly understood that nothing in this Section 9 or in the Bankruptcy Court Order constitutes or will constitute an admission or a concession by any of the Settling Parties that the automatic stay would be applicable to the Action, payment of the Settlement Amount or that the proceeds of the insurance utilized to fund the Settlement Amount would be property of Walter Energy's bankruptcy estate.

#### **10. Fees and Costs**

10.1 All parties will bear their own costs, except as provided herein. All of Lead Counsel's attorneys' fees and expenses, subject to Court approval, shall be paid out of the Settlement Fund. Except as specifically provided herein, the Released Persons shall bear no expenses, costs, damages, fees, or taxes alleged or incurred by any member of the Settlement Class, or by any of their attorneys, experts, advisors, agents, or representatives.

#### **11. Confidentiality; Public Disclosure**

11.1 The parties agree there will be no public announcements regarding this Settlement until Walter Energy or the Defendants have announced/disclosed it, and the parties agree that there will be no disparagement of the claims or defenses asserted in the Action or the Settlement.

## **12. Miscellaneous Provisions**

12.1 The Settling Parties: (i) acknowledge that it is their intent to consummate this Stipulation; and (ii) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the Stipulation expeditiously.

12.2 The Settling Parties intend this Settlement to be a final and complete resolution of all disputes between them with respect to the Action. The Settlement and all negotiations, discussions, and proceedings leading up to and in connection herewith shall not be deemed to constitute a presumption, concession, or an admission by any Settling Party or any of the Released Persons of any fault, liability, or wrongdoing by it, or as to the merits of any claim or defense. The Settling Parties and their counsel agree that they shall not assert any claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the prosecution, defense or settlement of the Action. The Settling Parties agree that the amount paid to the Settlement Fund and the other terms of the Settlement were negotiated in good faith at arm's length by the Settling Parties and reflect a settlement that was reached voluntarily after consultation with competent legal counsel. The Settling Parties reserve their right to rebut, in a manner that such party determines to be appropriate, any contention made in any public forum regarding the Action, including that the Action was brought or defended in bad faith or without a reasonable basis.

12.3 The Judgment shall contain a finding that, during the course of the Action, the Settling Parties and their counsel complied with Federal Rule of Civil Procedure 11.

12.4 Neither the Stipulation nor the Settlement contained herein, nor any negotiations, discussions, proceedings or act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement may be offered or received in evidence, or otherwise used by any Person in the Action, or in any other action or proceedings, whether civil, criminal, or administrative, in any court, administrative agency, or other tribunal, except in connection with any proceeding to enforce the terms of this Stipulation. The Released Persons, Lead Plaintiffs, Settlement Class Members and Lead Counsel may file the Stipulation and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

12.5 All agreements made and orders entered during the course of the Action relating to the confidentiality of documents and other information shall survive this Stipulation. Consistent with the terms of paragraph 19 of the Proposed Protective Order in this Action, dated April 15, 2013, which shall survive this Stipulation, at the conclusion of this Action, including any appeals, all Confidential Material which has not been introduced into evidence in this case shall be returned to the Producing Party

within 30 days, except insofar as is necessary for counsel to maintain their litigation files. Such retained copies will remain subject to the restrictions herein. In the alternative, counsel for the parties may certify by letter within that time period that all Confidential Material has been destroyed.

12.6 All of the Exhibits to the Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

12.7 The Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

12.8 No waiver of any term or provision of this Settlement Agreement, or of any breach or default hereof or hereunder, shall be valid or effective unless in writing and signed by or on behalf of all Settling Parties or their respective successors-in-interest. No waiver of any term or provision of this Settlement Agreement, or of any breach or default hereof or hereunder, shall be construed as a waiver of the same or any other term or provision or of any previous or subsequent breach thereof.

12.9 The Stipulation and the Exhibits attached hereto (together with the Supplemental Agreement referred to in ¶8.3) constitute the entire agreement among the Settling Parties and no representations, warranties, or inducements have been made to any Settling Party concerning the Stipulation or its Exhibits other than the representations, warranties, and covenants contained and memorialized in such

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

12.10 This Settlement Agreement shall be construed and interpreted to effectuate the intent of the Settling Parties, which is to resolve completely those claims and disputes, including in the Action, and as more fully described herein. If any provision of this Settlement Agreement shall be determined to be invalid, void, or illegal, such provision shall be construed and amended in order to preserve the material terms of the Settlement Agreement.

12.11 If the Court or any appellate court modifies any material terms of this Stipulation, the parties shall have a reasonable amount of time to mutually agree on whether the Settlement may proceed as modified or the Settlement can no longer proceed such that neither the Settlement Class Members nor Defendants shall be bound by the Stipulation if the Court or any appellate court modifies material terms thereof. However, it shall not be a basis for Settlement Class Members to terminate the Settlement if the Court or any appellate court modifies only any proposed Plan of Allocation or criteria for allocation of the Net Settlement Fund amongst Authorized Claimants, or if only the Plan of Allocation is modified on appeal. Nor shall it be a basis to terminate the Settlement if the Court disapproves of or modifies the terms of this Stipulation with respect to only attorneys' fees or expenses or the distribution of the Net Settlement Fund. Notwithstanding any such modification of the terms or Plan of Allocation or the Stipulation with respect to attorneys' fees or expenses,

Defendants and Defendants' insurers shall be entitled to all benefits of the Settlement and shall not, under any circumstances, be called upon to contribute additional funds to the Settlement Fund.

12.12 Lead Counsel, on behalf of the Settlement Class, are expressly authorized by Lead Plaintiffs to take all appropriate action required or permitted to be taken by the Settlement Class pursuant to the Stipulation to effectuate its terms and also are expressly authorized to enter into any modifications or amendments to the Stipulation on behalf of the Settlement Class which they deem appropriate.

12.13 Lead Plaintiffs and Lead Counsel represent and warrant that none of the Lead Plaintiffs' claims or causes of action referred to in this Action or this Stipulation has been assigned, encumbered, or in any manner transferred in whole or in part.

12.14 Each counsel or other Person executing the Stipulation or any of its Exhibits on behalf of any Settling Party hereby warrants that such Person has the full authority to do so.

12.15 All notices, requests, demands, claims, and other communications hereunder shall be in writing and shall be deemed duly given when delivered by email and: (i) delivered personally to the recipient, (ii) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid), or (iii) seven (7) business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

*If to Lead Plaintiffs or to Lead Counsel:*

Andrew J. Brown  
ROBBINS GELLER RUDMAN & DOWD LLP  
655 West Broadway, Suite 1900  
San Diego, CA 92101  
[andrewb@rgrdlaw.com](mailto:andrewb@rgrdlaw.com)

Andrew L. Zivitz  
Johnston de F. Whitman, Jr.  
KESSLER TOPAZ MELTZER & CHECK, LLP  
280 King of Prussia Road  
Radnor, PA 19087  
[azivitz@ktmc.com](mailto:azivitz@ktmc.com)  
[jwhitman@ktmc.com](mailto:jwhitman@ktmc.com)

*If to Defendants or to Defendants' counsel:*

George S. Wang  
SIMPSON THACHER & BARTLETT LLP  
425 Lexington Avenue  
New York, NY 10017  
[gwang@stblaw.com](mailto:gwang@stblaw.com)

12.16 The Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of executed counterparts shall be filed with the Court. Signatures sent by facsimile or by PDF via e-mail shall be deemed originals.

12.17 The Stipulation shall be binding upon, and inure to the benefit of, the heirs, successors, and assigns of the Settling Parties hereto.

12.18 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation, and all Settling Parties hereto submit to

the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Stipulation.

12.19 Pending approval of the Court of the Stipulation and its Exhibits, all proceedings in this Action shall be stayed and all members of the Settlement Class shall be barred and enjoined from prosecuting any of the Released Claims against any of the Released Persons.

12.20 This Stipulation and the Exhibits hereto shall be considered to have been negotiated, executed, and delivered, and to be wholly performed, in the State of Alabama, and the rights and obligations of the parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of Alabama, without giving effect to that State's choice-of-law principles. The Settling Parties agree to mediate in good faith any dispute regarding the terms of the Settlement with Judge Daniel Weinstein (Ret.), if he is available.

IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be executed, by their duly authorized attorneys dated July 15, 2015.

ROBBINS GELLER RUDMAN  
& DOWD LLP  
THEODORE J. PINTAR  
ANDREW J. BROWN  
MATTHEW I. ALPERT  
ASHLEY M. PRICE



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THEODORE J. PINTAR

655 West Broadway, Suite 1900  
San Diego, CA 92101  
Telephone: 619/231-1058  
619/231-7423 (fax)

ROBBINS GELLER RUDMAN  
& DOWD LLP  
SAMUEL H. RUDMAN  
58 South Service Road, Suite 200  
Melville, NY 11747  
Telephone: 631/367-7100  
631/367-1173 (fax)

KESSLER TOPAZ MELTZER  
& CHECK, LLP  
ANDREW L. ZIVITZ  
JOHNSTON de F. WHITMAN, JR.  
MICHELLE M. NEWCOMER  
MEREDITH L. LAMBERT



ANDREW L. ZIVITZ

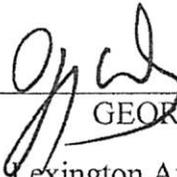
280 King of Prussia Road  
Radnor, PA 19087  
Telephone: 610/667-7706  
610/667-7056 (fax)

Co-Lead Counsel for Plaintiffs

WARD & WILSON, LLC  
PATRICK C. COOPER  
2100 Southbridge Parkway, Suite 580  
Birmingham, AL 35209  
Telephone: 205/871-5404  
205/871-5758 (fax)

Liaison Counsel

SIMPSON THACHER &  
BARTLETT LLP  
GEORGE S. WANG  
SHANNON P. TORRES

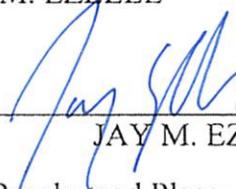


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GEORGE S. WANG

425 Lexington Avenue  
New York, NY 10017  
Telephone: (212) 455-2000  
(212) 455-2502 (fax)

STARNES DAVIS FLORIE LLP  
MICHAEL A. FLORIE  
JAY M. EZELLE



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JAY M. EZELLE

100 Brookwood Place, Seventh Floor  
Birmingham, AL 35209  
Telephone: (205) 868-6000  
(205) 868-6099 (fax)

Attorneys for Defendants

CERTIFICATE OF SERVICE

I hereby certify that on July 15, 2015, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I caused to be mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on July 15, 2015.

s/ Theodore J. Pintar

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THEODORE J. PINTAR

ROBBINS GELLER RUDMAN  
& DOWD LLP

655 West Broadway, Suite 1900

San Diego, CA 92101-8498

Telephone: 619/231-1058

619/231-7423 (fax)

E-mail: tedp@rgrdlaw.com

## **Mailing Information for a Case 2:12-cv-00281-VEH Rush v. Walter Energy Inc**

### **Electronic Mail Notice List**

The following are those who are currently on the list to receive e-mail notices for this case.

- **Matthew Isaac Alpert**  
malpert@rgrdlaw.com
- **Bruce D Angiolillo**  
bangiolillo@stblaw.com
- **Jeffrey A Berens**  
jeff@dyerberens.com
- **Jordan A Botjer**  
jbotjer@stblaw.com
- **Andrew J Brown**  
AndrewB@rgrdlaw.com
- **Patrick C Cooper**  
patrickccooper@yahoo.com
- **Diandra S Debrosse-Zimmermann**  
fuli@zarzaur.com
- **Jay M Ezelle**  
JEzelle@starneslaw.com
- **Michael Anthony Florie**  
MFlorie@starneslaw.com
- **Cole Robinson Gresham**  
cgresham@starneslaw.com
- **Meredith L Lambert**  
mlambert@ktmc.com
- **Michelle M Newcomer**  
mnewcomer@ktmc.com
- **Theodore J Pintar**  
TedP@rgrdlaw.com
- **Ashley M Price**  
aprice@rgrdlaw.com
- **Samuel H Rudman**  
srudman@rgrdlaw.com

- **Stephen A Sistrunk**  
sasistrunk@gmail.com
- **Shannon P Torres**  
storres@stblaw.com
- **George S Wang**  
gwang@stblaw.com
- **James S Ward**  
jward@wardwilsonlaw.com
- **Johnston De F Whitman , Jr**  
jwhitman@ktmc.com
- **Alfred G Yates , Jr**  
yateslaw@aol.com
- **Andrew L Zivitz**  
azivitz@ktmc.com

## **Manual Notice List**

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

- (No manual recipients)

# **EXHIBIT A**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

In re WALTER ENERGY, INC.	)	Master File No. 2:12-cv-00281-VEH
SECURITIES LITIGATION	)	
_____	)	<u>CLASS ACTION</u>
	)	
This Document Relates To:	)	
	)	
ALL ACTIONS.	)	
	)	
_____	)	

[PROPOSED] ORDER PRELIMINARILY APPROVING  
SETTLEMENT AND PROVIDING FOR NOTICE

EXHIBIT A

WHEREAS, an action is pending before this Court entitled *In re Walter Energy, Inc. Securities Litigation*, Master File No. 2:12-cv-00281-VEH (the “Action”);

WHEREAS, the parties having made an application, pursuant to Federal Rule of Civil Procedure 23(e), for an order preliminarily approving a proposed settlement of this Action, in accordance with a Stipulation and Agreement of Settlement dated July 15, 2015 (the “Stipulation”), which, together with the Exhibits annexed thereto, sets forth the terms and conditions for the proposed settlement of the Action (the “Settlement”) and for dismissal of the Action with prejudice upon the terms and conditions set forth therein; and the Court having read and considered the Stipulation and the Exhibits annexed thereto; and

WHEREAS, all defined terms herein have the same meanings as set forth in the Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Court does hereby preliminarily approve the Stipulation and the Settlement set forth therein, subject to further consideration at the Settlement Hearing described below.

2. A hearing (the “Settlement Hearing”) shall be held before this Court on \_\_\_\_\_, 2015, at \_\_\_\_\_ .m. [a date that is at least 100 calendar days from the date of this Order], at the United States District Court, Northern District of Alabama, Southern Division, Hugo L. Black U.S. Courthouse, 1729 Fifth Avenue North, Birmingham, AL 35203, to determine whether the proposed Settlement of the Action

on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Settlement Class and should be approved by the Court; whether a Judgment as provided in ¶1.8 of the Stipulation should be entered; whether the proposed Plan of Allocation is fair, reasonable, and adequate and should be approved; the amount of fees and expenses that should be awarded to Lead Counsel; and the amount of any expenses to be awarded to Lead Plaintiffs. The Court may adjourn the Settlement Hearing without further notice to the members of the Settlement Class.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for purposes of the Settlement only, this Court certifies a class (the “Settlement Class”) defined as all persons and entities that purchased or otherwise acquired the publicly traded common stock of Walter Energy, Inc. (“Walter Energy”) between April 20, 2011 and September 21, 2011, and were damaged thereby. Excluded from the Settlement Class are Walter Energy and the Defendants, Defendants’ immediate families, any person, firm, trust, corporation, officer, director or other individual or entity in which any current or former defendant has a controlling interest, and the legal representatives, affiliates, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Settlement Class is any Person who elects to exclude himself, herself, or itself from the Settlement Class on a timely basis in response to and in accordance with the provisions set forth in the Notice to be sent to potential Settlement Class Members.

4. With respect to the Settlement Class, the Court finds and concludes that, for purposes of the Settlement only, the requirements of Federal Rules of Civil Procedure 23(a) and 23(b)(3) are satisfied as: (a) the members of the Settlement Class are so numerous that joinder of all Settlement Class Members in the Action is impracticable; (b) there are questions of law and fact common to the Settlement Class that predominate over any individual questions; (c) the claims of the Lead Plaintiffs are typical of the claims of the Settlement Class; (d) the interests of all Settlement Class Members are adequately represented by Lead Plaintiffs and Lead Counsel; (e) the issues common to Settlement Class Members predominate over any individualized issues; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Lead Plaintiffs are preliminarily certified as Class Representatives and Lead Counsel are preliminarily certified as Class Counsel.

6. The Court approves, as to form and content, the Notice of Pendency and Proposed Settlement of Class Action (the “Notice”), the Proof of Claim and Release form (the “Proof of Claim Form”), and Summary Notice, annexed as Exhibits A-1, A-2, and A-3 hereto, and finds that the mailing and distribution of the Notice and publishing of the Summary Notice substantially in the manner and form set forth in ¶¶7-8 of this Order meet the requirements of Federal Rule of Civil Procedure 23 and

due process, and is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all persons entitled thereto.

7. The firm of Epiq Systems, Inc. (“Claims Administrator”) is hereby appointed to supervise and administer the notice procedure as well as the processing of claims as more fully set forth below:

(a) The Claims Administrator shall make reasonable efforts to identify all persons who are members of the Settlement Class and, commencing no later than twenty (20) calendar days after entry of this Order (the “Notice Date”), the Claims Administrator shall cause a copy of the Notice and the Proof of Claim Form, substantially in the forms annexed as Exhibits A-1 and A-2 hereto, to be mailed by First-Class Mail to all Settlement Class Members who can be identified with reasonable effort;

(b) Not later than fourteen (14) calendar days after the Notice Date, the Claims Administrator shall cause the Summary Notice to be published once in the national edition of *Investor’s Business Daily* and once over a national newswire service;

(c) At least seven (7) calendar days prior to the Settlement Hearing, Lead Counsel shall cause to be served on Defendants’ counsel and filed with the Court proof, by affidavit or declaration, of such mailing and publishing; and

(d) Lead Counsel shall also cause to be served on Defendants’ counsel a copy of all “opt out” notices or papers received.

8. Nominees who purchased or otherwise acquired the common stock of Walter Energy for the beneficial ownership of Settlement Class Members during the Settlement Class Period shall send the Notice and the Proof of Claim Form to all such beneficial owners of Walter Energy common stock within ten (10) days after receipt thereof, or send a list of the names and addresses of such beneficial owners to the Claims Administrator within ten (10) days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice and Proof of Claim Form to such beneficial owners. Lead Counsel shall, if requested, reimburse banks, brokerage houses or other nominees solely for their reasonable expenses incurred in providing notice to beneficial owners who are Settlement Class Members out of the Settlement Fund, which expenses would not have been incurred except for the sending of such notice, subject to further order of this Court with respect to any dispute concerning such compensation.

9. The form and content of the notice program described herein, and the methods set forth herein for notifying the Settlement Class of the Settlement and its terms and conditions, the Fee and Expense Application, and the Plan of Allocation meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995, and due process, constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all Persons entitled thereto.

10. All fees, costs, and expenses incurred in identifying and notifying members of the Settlement Class shall be paid from the Settlement Fund, pursuant to ¶4.9 of the Stipulation, and in no event shall any of the Released Persons bear any responsibility or liability for such fees, costs, or expenses.

11. Upon the Effective Date, Lead Plaintiffs and each of the Settlement Class Members and their predecessors, successors, agents, representatives, attorneys, and affiliates, and the heirs, executors, administrators, successors, and assigns of each of them, in their capacity as such, shall be permanently barred and enjoined from the assertion, institution, maintenance, prosecution, or enforcement against any Released Person, in any state or federal court or arbitral forum, or in the court of any foreign jurisdiction, administrative forum or other forum of any kind, of any and all Released Claims (including, without limitation, Unknown Claims), as well as any claims arising out of, relating to, or in connection with, the defense, settlement, or resolution of the Action or the Released Claims against the Released Persons, Lead Plaintiffs and/or Plaintiffs' Counsel, except for claims relating to the enforcement of the Settlement, whether or not such Settlement Class Member executes and delivers the Proof of Claim Form.

12. All members of the Settlement Class (except Persons who request exclusion pursuant to ¶16 below) shall be bound by all determinations and judgments in the Action concerning the Settlement, including, but not limited to, the releases provided for therein, whether favorable or unfavorable to the Settlement Class,

regardless of whether such Persons seek or obtain by any means, including, without limitation, by submitting a Proof of Claim Form or any similar document, any distribution from the Settlement Fund or Net Settlement Fund.

13. Any Settlement Class Member who wishes to participate in the Settlement shall complete and submit a Proof of Claim Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proof of Claim Forms must be postmarked or submitted electronically no later than ninety (90) days from the Notice Date. Any Settlement Class Member who does not timely submit a Proof of Claim Form within the time provided for shall be barred from sharing in the distribution of the proceeds of the Settlement Fund, unless otherwise ordered by the Court, but shall nevertheless be bound by any final judgment entered by the Court. Notwithstanding the foregoing, Lead Counsel shall have the discretion, but not the obligation, to accept late-submitted claims for processing by the Claims Administrator so long as distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed thereby.

14. The Proof of Claim Form submitted by each Settlement Class Member must satisfy the following conditions, unless otherwise ordered by the Court: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from

the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by Lead Counsel or the Claims Administrator; (iii) if the person executing the Proof of Claim Form is acting in a representative capacity, a certification of her current authority to act on behalf of the Settlement Class Member must be included in the Proof of Claim Form; and (iv) the Proof of Claim Form must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

15. Any member of the Settlement Class may enter an appearance in the Action, at their own expense, individually or through counsel of their own choice. If they do not enter an appearance, they will be represented by Lead Counsel.

16. Any Person falling within the definition of the Settlement Class may, upon request, be excluded or “opt out” from the Settlement Class. Any such Person must submit to the Claims Administrator a signed request for exclusion (“Request for Exclusion”) such that it is received no later than forty-five (45) calendar days after the Notice Date. A Request for Exclusion must state: (i) the name, address, and telephone number of the Person requesting exclusion; (ii) a list identifying the amount and date of each purchase, acquisition, and sale of Walter Energy common stock and the price paid and/or received for any transactions involving Walter Energy common stock between April 20, 2011 and September 21, 2011; and (iii) that the Person wishes to be excluded from the Settlement Class. All Persons who submit valid and timely

Requests for Exclusion in the manner set forth in this paragraph and the Notice shall have no rights under the Settlement, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Settlement or any final judgment.

17. Any member of the Settlement Class may appear and show cause why the proposed Settlement of the Action should or should not be approved as fair, reasonable, and adequate, why a judgment should or should not be entered thereon, why the Plan of Allocation should or should not be approved, why attorneys' fees and expenses should or should not be awarded to Lead Counsel, or why the expenses of Lead Plaintiffs should or should not be awarded; provided, however, that no Settlement Class Member or any other person shall be heard or entitled to contest such matters, unless that person has delivered by hand or sent by First-Class Mail written objections and copies of any papers and briefs submitted in support of such written objections such that they are received, not simply postmarked, on or before \_\_\_\_\_, 2015 [forty-five (45) calendar days after the Notice Date], by Robbins Geller Rudman & Dowd LLP, Andrew J. Brown, 655 West Broadway, Suite 1900, San Diego, CA 92101; Kessler Topaz Meltzer & Check, LLP, Andrew L. Zivitz, Johnston de F. Whitman, Jr., 280 King of Prussia Road, Radnor, PA 19087; and Simpson Thacher & Bartlett LLP, George S. Wang, 425 Lexington Avenue, New York, NY 10017, and filed said objections, papers, and briefs with the Clerk of the United States District Court, Northern District of Alabama, Southern Division, Hugo L. Black U.S. Courthouse, 1729 Fifth Avenue North, Birmingham, AL 35203,

on or before \_\_\_\_\_, 2015 [forty-five (45) calendar days after the Notice Date]. Any member of the Settlement Class who does not make his, her, or its objection in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness or adequacy of the proposed Settlement as set forth in the Stipulation, to the Plan of Allocation, to the award of attorneys' fees and expenses to Lead Counsel, or to the award of expenses to Lead Plaintiffs, unless otherwise ordered by the Court.

18. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

19. All opening briefs and supporting documents in support of a request for final approval of the Settlement, the Plan of Allocation, and any application by Lead Counsel for attorneys' fees and expenses or by Lead Plaintiffs for their expenses shall be filed and served no later than thirty-five (35) calendar days after the Notice Date. Replies to any objections shall be filed and served no later than sixty-five (65) calendar days after the Notice Date.

20. Neither the Released Persons nor Defendants' counsel shall have any responsibility or liability for the Plan of Allocation or any application for attorneys' fees or expenses submitted by Lead Counsel or Lead Plaintiffs, and such matters will

be considered separately from the fairness, reasonableness, and adequacy of the Settlement.

21. At or after the Settlement Hearing, the Court shall determine whether the Plan of Allocation proposed by Lead Counsel and any application for attorneys' fees, costs and expenses should be approved.

22. All reasonable expenses incurred in identifying and notifying Settlement Class Members, as well as administering the Settlement Fund, shall be paid as set forth in the Stipulation. In the event the Settlement is not approved by the Court, or otherwise fails to become effective, neither Lead Plaintiffs nor any of their counsel shall have any obligation to repay any amounts incurred and properly disbursed pursuant to §§4.9 or 4.11 of the Stipulation.

23. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by the Defendants of the truth of any of the allegations in the Action, or of any liability, fault, or wrongdoing of any kind.

24. The Court reserves the right to adjourn the date of the Settlement Hearing without further notice to the members of the Settlement Class, and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the parties, if appropriate, without further notice to the Settlement Class.

25. If the Stipulation and the Settlement set forth therein is not approved or consummated for any reason whatsoever, the Stipulation and Settlement and all proceedings had in connection therewith shall be without prejudice to the rights of the parties *status quo ante*.

26. Pending final determination of whether the proposed Settlement should be finally approved, neither the Lead Plaintiffs nor any Settlement Class Member, directly or indirectly, representatively, or in any other capacity, shall commence or prosecute against any of the Defendants, any action or proceeding in any court or tribunal asserting any of the Released Claims.

IT IS SO ORDERED.

DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HON. VIRGINIA EMERSON HOPKINS  
UNITED STATES DISTRICT JUDGE

# **EXHIBIT A-1**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

In re WALTER ENERGY, INC.	)	Master File No. 2:12-cv-00281-VEH
SECURITIES LITIGATION	)	
_____	)	<u>CLASS ACTION</u>
	)	
This Document Relates To:	)	
	)	
ALL ACTIONS.	)	
	)	
_____	)	

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT  
OF CLASS ACTION

EXHIBIT A-1

**TO: ALL PERSONS WHO PURCHASED OR ACQUIRED WALTER ENERGY, INC. (“WALTER ENERGY” OR THE “COMPANY”) COMMON STOCK BETWEEN APRIL 20, 2011 AND SEPTEMBER 21, 2011**

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

**NOTICE OF SETTLEMENT:** Please be advised that the Court-appointed Lead Plaintiffs in the above-captioned securities class action lawsuit, *In re Walter Energy, Inc. Sec. Litig.*, No. 2:12-cv-00281-VEH (the “Action”), on behalf of themselves and the proposed Settlement Class (as defined below), have reached a proposed settlement of the Action, for a total of \$25,000,000 in cash (the “Settlement Amount”) that, if approved, will resolve all claims in the Action against defendants Keith Calder, Walter Scheller, Neil Winkelmann, and Joseph Leonard (“Defendants”).

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS ACTION, WHETHER OR NOT YOU ACT UPON THIS SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THE SETTLEMENT PROCEEDS, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) POSTMARKED OR SUBMITTED ONLINE ON OR BEFORE [INSERT DATE].**

This Notice of Pendency and Proposed Settlement of Class Action (“Notice”) has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of Alabama, Southern Division (the “Court”). The purpose of this Notice is to inform you of the proposed settlement of the Action (the “Settlement”) and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement as well as counsel’s application for fees, costs, and expenses. This Notice describes the rights you may have in connection with your participation in the Settlement, what steps you may take in relation to the Settlement and Action, and, alternatively, what steps you must take if you wish to be excluded from the Settlement and this Action.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM</b>	The only way to get a payment. Proof of Claim forms must be postmarked or submitted online on or before [Insert Date].

<b>EXCLUDE YOURSELF</b>	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants or any other Released Persons about the legal claims in this case. Exclusions must be received on or before [Insert Date].
<b>OBJECT</b>	Write to the Court about why you do not like the Settlement, the Plan of Allocation, and/or the request for attorneys' fees, costs, and expenses. You will still be a member of the Settlement Class. Objections must be received by the Court and counsel on or before [Insert Date].
<b>GO TO A HEARING</b>	Ask to speak in Court about the fairness of the Settlement. Requests to speak must be received by the Court and counsel on or before [Insert Date].
<b>DO NOTHING</b>	Get no payment. Give up your rights. You will remain a member of the Settlement Class.

### SUMMARY NOTICE

#### Statement of Class Recovery

Subject to Court approval, pursuant to the Settlement described herein, a Settlement Fund has been established for the benefit of the Settlement Class in the amount of \$25 million (the "Settlement Amount"), plus any and all interest earned thereon. A Settlement Class Member's actual recovery will be a proportion of the Net Settlement Fund (the Settlement Fund less any: (1) taxes; (2) notice and administration costs; (3) attorneys' fees and litigation expenses awarded by the Court; and (4) any other costs, expenses or amounts as may be approved by the Court) determined by that claimant's Recognized Claim as compared to the total of all Recognized Claims. Lead Plaintiffs estimate that there were approximately 43.8 million shares of Walter Energy common stock that were purchased or otherwise acquired during the Settlement Class Period and therefore may have been damaged during the Settlement Class Period. Lead Plaintiffs estimate that, if valid claims for all damaged shares are submitted, the average recovery under the Settlement will be approximately \$0.57 per damaged share before deduction of any taxes on the income thereof, notice and administration costs, and the attorneys' fee, cost and expense award as determined by the Court. Please note, however, that the foregoing is only an estimate of a Settlement Class Member's average recovery per damaged share, and a

Settlement Class Member's actual recovery may be more or less than the average amount depending on, among other things: (1) the number of valid claims submitted; (2) when during the Settlement Class Period the Settlement Class Member purchased and/or acquired Walter Energy common stock; (3) the price paid for such stock; (4) whether the Settlement Class Member held those shares at the end of the Settlement Class Period or sold them during the Settlement Class Period and, if sold, when those shares were sold and at what price. A Settlement Class Member's recovery will be based on the Plan of Allocation set forth herein at pages \_\_\_\_.

### **Reasons for Settlement and Statement of Potential Outcome of Case**

The principal reason for the Settlement is the benefit to be provided to the Settlement Class now. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future. Specifically, the parties disagree on both liability and damages and do not agree on the average amount of damages per share of Walter Energy common stock, if any, that would be recoverable if the Settlement Class prevailed on each claim alleged. The Defendants deny that they are liable to the Settlement Class and deny that the Settlement Class has suffered any damages. The issues on which the parties disagree are many, but include: (1) whether Defendants engaged in conduct that would give rise to any liability to the Settlement Class under the federal securities laws, or any other laws; (2) whether Defendants have valid defenses to any such claims of liability; (3) the appropriate economic model for determining the amount by which the price of Walter Energy common stock was allegedly artificially inflated (if at all) during the Settlement Class Period; (4) the amount by which the price of Walter Energy common stock was allegedly artificially inflated (if at all) during the Settlement Class Period; (5) the effect of various market forces on the price of Walter Energy common stock at various times during the Settlement Class Period; (6) the extent to which external factors influenced the price of Walter Energy common stock at various times during the Settlement Class Period; and (7) the extent to which the various matters that Lead Plaintiffs alleged were materially false or misleading, or the various allegedly adverse material facts that Lead Plaintiffs alleged were omitted, influenced (if at all) the price of Walter Energy common stock at various times during the Settlement Class Period.

### **Statement of Attorneys' Fees, Costs, and Expenses Sought**

Lead Counsel will apply to the Court for an award of attorneys' fees not to exceed thirty-three (33%) of the Settlement Amount, plus costs and expenses not to exceed \$550,000, plus interest earned on both amounts at the same rate as earned by the Settlement Fund. Since the Action's inception, Lead Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee

basis and advanced the expenses of the litigation in the expectation that if they were successful in obtaining a recovery for the Settlement Class they would be paid from such recovery. In this type of litigation, it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees. In addition, Lead Plaintiffs may seek payment for their time and expenses incurred in representing the Settlement Class. The requested fees, costs, and expenses amount to an average of approximately \$0.20 per damaged share of Walter Energy common stock. The average cost per damaged share of Walter Energy common stock will vary depending on the number of acceptable Proofs of Claim submitted.

### **Further Information**

For further information regarding the Action, this Notice or to review the Stipulation and Agreement of Settlement, please visit [www.walterenergysecuritieslitigation.com](http://www.walterenergysecuritieslitigation.com) or contact the Claims Administrator toll-free at \_\_\_\_\_, or [www.walterenergysecuritieslitigation.com](http://www.walterenergysecuritieslitigation.com).

You may also contact representatives of counsel for the Settlement Class: Rick Nelson, c/o Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900 and/or Andrew Zivitz, Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087, 1-888-299-7706.

Please do not call the Court or Defendants with questions about the Settlement.

### **BASIC INFORMATION**

<b>1. Why did I get this notice package?</b>
--

You or someone in your family may have purchased or acquired Walter Energy common stock between April 20, 2011 and September 21, 2011 (the "Settlement Class Period").

The Court directed that this Notice be sent to potential Settlement Class Members because they have a right to know about the proposed Settlement of this class action lawsuit, and to understand how the Settlement of this Action may affect their legal rights, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, the Claims Administrator appointed by the Court will make the payments provided for in the Settlement.

This Notice explains the lawsuit, the Settlement, a Settlement Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the Action is the United States District Court for the Northern District of Alabama, Southern Division, and the case is known as *In re Walter Energy, Inc. Securities Litigation*, Master File No. 2:12-cv-00281-VEH. The case is assigned to the Honorable Virginia Emerson Hopkins. The parties representing the Settlement Class are the Government of Bermuda Contributory Pension Plan, Public Service Superannuation Pension Plan and Stephen C. Beaulieu, as Trustee of the Stephen C. Beaulieu Revocable Trust – the “Lead Plaintiffs,” and the individuals they sued are Keith Calder, Walter Scheller, Neil Winkelmann, and Joseph Leonard (“Defendants”).

## **2. What is this lawsuit about?**

During the Settlement Class Period, Walter Energy was a leading producer and exporter of metallurgical coal for the global steel industry. It also produced steam coal, coal bed methane gas (natural gas), metallurgical coke, and other related products.

The complaint alleges that Defendants made materially false and misleading statements and failed to state certain facts regarding the Company's operating condition and financial prospects between April 20, 2011 and September 21, 2011, which is called the Settlement Class Period. Specifically, the complaint alleges that Defendants misrepresented that Walter Energy was poised to take advantage of, among other things: (1) a strong coal market based upon favorable tonnage pricing trends in the second quarter of 2011; (2) its U.S. operations' production of high quality coal, in particular the production capabilities of its flagship number 7 mine (“Mine No. 7”) in Alabama; and (3) benefits that it would achieve through its newly-acquired and expanding Canadian operations, including the use of the Falling Creek connector road between Walter Energy's Brule and Willow Creek coal mines in British Columbia that would allow for more efficient transport of coal to its soon-to-be expanded Willow Creek facility for processing.

The complaint alleges that these statements were materially false and misleading because: (1) before and during the Settlement Class Period the Company's flagship Mine No. 7 was experiencing so-called “squeeze” events and other geological and ventilation issues that caused reduced production rates and mine closures for multiple days, and resulted in material delays and production shortages; (2) the Company's Canadian operations were experiencing production problems resulting from construction delays on the Falling Creek connector road; and (3) as a result of the foregoing production issues and delays, the Company had an outstanding

commitment to ship more than 700,000 tons of coal in the second quarter of 2011 at far lower first quarter 2011 prices, precluding it from materially capturing the significantly higher second quarter 2011 coal prices, and negatively impacting the average sales prices of its coal and overall operating results for the second quarter of 2011.

The complaint further alleges that, upon the partial public revelation of Defendants' alleged fraud on August 4, 2011, when Walter Energy reported on the various geological, construction and other issues impacting its production volumes and ability to capture record second quarter 2011 coal prices, the price of Walter Energy common stock declined by 30%, from \$110.48 per share on August 3, 2011, to close at \$77.89 per share on August 4, 2011, and that the price of Walter Energy common stock declined further when the Company disclosed the full impact of its production issues on September 21, 2011, falling from \$75.00 per share on September 20, 2011 to \$66.25 on September 21, 2011, on extremely heavy trading volume. As a result of Defendants' allegedly false and misleading statements, it is alleged that Walter Energy's stock traded at inflated levels during the Settlement Class Period.

### **3. Why is this a class action?**

In a class action, one or more people called the plaintiff sues on behalf of people who have similar claims. All of the people with similar claims are referred to as a class or class members. One court resolves the issues for all class members, except for those who exclude themselves from the class.

### **4. Why is there a settlement?**

The Court has not decided in favor of the Defendants or of the Settlement Class. Instead, both sides agreed to the Settlement to avoid the distraction, costs, and risks of further litigation, including trial, and Lead Plaintiffs agreed to the Settlement in order to ensure that Settlement Class Members will receive compensation. Lead Plaintiffs and Lead Counsel believe the Settlement is in the best interest of all Settlement Class Members in light of the real possibility that continued litigation could result in no recovery at all.

## **WHO IS AFFECTED BY THE SETTLEMENT**

If you are a Settlement Class Member, you are subject to the Settlement unless you are excluded from the Settlement Class, as set forth below, or you specifically opt-out of the Settlement Class, following the instructions set forth herein.

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

The Court directed that everyone who fits the following description is a Settlement Class Member: *all Persons or entities who purchased or otherwise acquired the publicly traded common stock of Walter Energy between April 20, 2011 and September 21, 2011, and were damaged thereby*, except those Persons and entities that are excluded, as described below.

Excluded from the Settlement Class are Walter Energy and the Defendants, Defendants' immediate families, any person, firm, trust, corporation, officer, director or other individual or entity in which any current or former defendant has a controlling interest, and the legal representatives, affiliates, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Settlement Class are those Persons who elect to exclude themselves from the Settlement Class by submitting a request for exclusion in accordance with the requirements set forth in question 13 below.

If one of your mutual funds own Walter Energy common stock, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you directly purchased or acquired Walter Energy common stock during the Settlement Class Period. Contact your broker to see if you have purchased or acquired Walter Energy common stock.

If you sold Walter Energy common stock during the Settlement Class Period, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you *purchased or acquired* Walter Energy common stock, as defined above.

Please Note: Receipt of this Notice does not mean that you are a Settlement Class Member or that you will be entitled to receive proceeds from the Settlement. You must be a Settlement Class Member in order to be potentially eligible to receive a payment from the Settlement. If you are a Settlement Class Member and you wish to be eligible to participate in the Settlement, you are required to submit the Proof of Claim form that is being distributed with this Notice and the required supporting documentation as set forth therein, postmarked no later than \_\_\_\_\_, 2015.

**6. What if I am still not sure if I am included?**

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator toll-free at \_\_\_\_\_, or you can fill out and return the Proof of Claim form enclosed with this Notice package, to see if you qualify.

## THE SETTLEMENT BENEFITS – WHAT YOU GET

### 7. What does the Settlement provide?

In exchange for the Settlement and the release of the Released Claims (defined below), as well as the dismissal of the Action, Defendants have agreed that a payment of \$25 million will be made by Defendants (or on their behalf) to be divided, after taxes, fees, and expenses, among all Settlement Class Members who send in a valid Proof of Claim form.

### 8. How much will my payment be?

At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement. If you are a Settlement Class Member, your share of the Net Settlement Fund will depend on several things, including, how many Settlement Class Members submit timely and valid Proofs of Claim, the total Recognized Claims represented by the valid Proofs of Claim that Settlement Class Members send in, the number of shares of Walter Energy common stock you purchased or acquired, how much you paid for the shares, when you purchased or acquired, and if you sold your shares and for how much.

By following the instructions in the Plan of Allocation, you can calculate what is called your Recognized Claim. It is unlikely that you will get a payment for all of your Recognized Claim. After all Settlement Class Members have sent in their Proof of Claim forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Claim divided by the total of everyone's Recognized Claim. See the Plan of Allocation at pages \_\_\_ hereof for more information on your Recognized Claim.

## HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM

### 9. How can I get a payment?

To be eligible for a payment, you must submit a valid Proof of Claim form to the Claims Administrator at:

*Walter Energy Securities Litigation*  
Claims Administrator  
c/o Epiq Systems, Inc.  
P.O. Box 4153  
Portland, OR 97208-4153

The Proof of Claim must be postmarked no later than \_\_\_\_\_, 2015. A Proof of Claim form is enclosed with this Notice or it may be downloaded at [www.walterenergysecuritieslitigation.com](http://www.walterenergysecuritieslitigation.com). Read the instructions carefully, fill out the Proof of Claim form, include all the documents the form asks for, sign it, and mail or submit it online so that it is *postmarked (if mailed) or received (if filed electronically) no later than [insert date]*. The claim form may be submitted online at [www.walterenergysecuritieslitigation.com](http://www.walterenergysecuritieslitigation.com). Please retain all records of your transactions in Walter Energy common stock as they may be needed to document your claim.

**10. When would I get my payment?**

It is not possible at this time to determine when the Settlement proceeds will be distributed to eligible Settlement Class Members. The Court will hold a Settlement Hearing on \_\_\_\_\_, 2015, to decide whether to approve the Settlement. If the Court approves the Settlement after that, there might be appeals. It is always uncertain when these appeals will be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Proofs of Claim forms to be processed. Please be patient.

**11. What am I giving up to get a payment or to stay in the Settlement Class?**

Unless you exclude yourself, you will remain a Settlement Class Member, and that means that, if the Settlement is approved, you will give up all “Released Claims” (as defined below), including “Unknown Claims” (as defined below), against the “Released Persons” (as defined below):

- “Released Claims” means any and all claims arising out of or relating to both: (i) the purchase or acquisition of Walter Energy common stock during the Settlement Class Period; and (ii) the acts, facts, statements, omissions or damages that were or could have been alleged in the Action, including any and all claims, demands, losses, rights, causes of action, liabilities, obligations, judgments, suits, matters and issues of any kind or nature whatsoever, whether known or Unknown Claims, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, that have been or could have been asserted in the Action or in any court, tribunal, forum or proceeding (including, but not limited to, any claims arising under federal, state, foreign, or common law, or any statute, rule or regulation relating to alleged fraud, breach of any duty, negligence, violations of the federal securities laws, or otherwise and

including all claims within the exclusive jurisdiction of the federal courts), whether individual, class, direct, representative, legal, equitable or any other type or in any other capacity, against the Released Persons, which Lead Plaintiffs or any member of the Settlement Class, or their legal representatives, heirs, successors-in-interest, transferees and assigns of all such foregoing holders, ever had, now has, or hereafter can, shall, or may have had, provided that Released Claims does not include claims to enforce the terms of the Settlement and the claims asserted in the following pending actions:

- (i) *In re Walter Energy, Inc. Derivative Litig.*, Lead Case No. 2:12-cv-719-RDP (N.D. Ala.) (Consolidated with 2:12-cv-3476-JHE); and
  - (ii) *In re Walter Energy, Inc. Shareholder Derivative Litig.*, Master File No. 01-CV-2012-900406 (Consolidated with Case Nos. 01-CV-2012-900451 and 01-CV-2012-900503) (10th Jud. Cir., Jefferson Cty., Ala.).
- “Released Persons” means Walter Energy, Inc., each and all of the Defendants, and each and all of Walter Energy’s and Defendants’ Related Persons.
  - “Related Persons” means, with respect to Walter Energy and the Defendants, any and/or all of their immediate families, parent entities, business units, business divisions, associates, affiliates or subsidiaries and each and all of their past, present, or future officers, directors, stockholders, employees, attorneys, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, insurers, engineers, advisors or agents, heirs, executors, trustees, general or limited partners or partnerships, personal representatives, estates, administrators, and each of their respective predecessors, successors, and assigns.
  - “Unknown Claims” means any and all Released Claims that Lead Plaintiffs and/or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons, and any and all Released Claims that the Released Persons do not know or suspect to exist in his, her or its favor, which if known by him, her or it might have affected his, her or its settlement with and release of the Released Persons (or Lead Plaintiffs, Plaintiffs’ Counsel and the members of the Settlement Class, as appropriate), or

might have affected his, her or its decision not to object to this Settlement or not exclude himself, herself or itself from the Settlement Class. With respect to any and all Released Claims, the parties stipulate and agree that, upon the Effective Date, Lead Plaintiffs and Defendants shall expressly waive, and each Settlement Class Member and Released Person shall be deemed to have waived, and by operation of the Order and Final Judgment shall have expressly waived, to the fullest extent permitted by law, any and all provisions, rights and benefits conferred by Cal. Civ. Code §1542, and any law of any state or territory of the United States, or principle of common law, or the law of any foreign jurisdiction, that is similar, comparable or equivalent to Cal. Civ. Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiffs and other Settlement Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Lead Plaintiffs shall expressly, and each other Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Order and Final Judgment shall have, fully, finally and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiffs and Defendants acknowledge, and Settlement Class Members and Released Persons by law and operation of the Order and Final Judgment shall be deemed to have acknowledged, that the foregoing waiver was separately bargained for and is an essential term of the Settlement of which this release is a part.

If you remain a member of the Settlement Class, all of the Court’s orders will apply to you and legally bind you.

## **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you are a Settlement Class Member and you do not want a payment from this Settlement, and you want to keep the right to sue the Defendants and the other Released Persons, on your own, about the legal issues in this case, then you must take steps to remove yourself from the Settlement. This is called excluding yourself – or is sometimes referred to as “opting out.”

### **12. How do I get out of the proposed Settlement?**

To exclude yourself from the Settlement Class, you must mail or deliver a written request for exclusion stating that you “request exclusion from the Settlement Class in the *Walter Energy Securities Litigation*.” Your request for exclusion must include the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and sales of Walter Energy common stock during the Settlement Class Period. In addition, you must include your name, address, telephone number, and your signature. You must submit your exclusion request so that it is ***received no later than [insert date]*** to:

*Walter Energy Securities Litigation*  
Claims Administrator  
c/o Epiq Systems, Inc.  
P.O. Box 4153  
Portland, OR 97208-4153

If you ask to be excluded, you will not get any payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue the Defendants and the other Released Persons in the future.

### **13. If I do not exclude myself, can I sue the Defendants and the other Released Persons for the same thing later?**

No. If you are a Settlement Class Member, unless you exclude yourself, you give up any rights to sue the Defendants and the other Released Persons for any and all Released Claims. If you have a pending lawsuit against any of the Released Persons, speak to your lawyer in that case immediately. You must exclude yourself from this Action to continue your own lawsuit. Remember, the exclusion deadline is [insert date].

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

No. If you exclude yourself, you may not send in a Proof of Claim to ask for any money. But, you may sue or be part of a different lawsuit against the Defendants and the other Released Persons.

**THE LAWYERS REPRESENTING YOU**

**15. Do I have a lawyer in this case?**

The Court ordered that the law firms of Robbins Geller Rudman & Dowd LLP and Kessler Topaz Meltzer & Check, LLP represent the Settlement Class Members, including you. These lawyers are called Lead Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

**16. How will the lawyers be paid?**

Lead Counsel will move the Court for an award of attorneys' fees in an amount not greater than thirty-three percent (33%) of the Settlement Amount and for expenses and costs in an amount not to exceed \$550,000, plus interest on such fees, costs, and expenses at the same rate earned by the Settlement Fund. In addition, the Lead Plaintiffs may seek up to \$75,000 for their time and expenses incurred in representing the Settlement Class. Such sums as may be approved by the Court will be paid from the Settlement Fund.

**OBJECTING TO THE SETTLEMENT**

**17. How do I tell the Court that I object to the proposed Settlement?**

If you are a Settlement Class Member, you can object to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's fee, cost, and expense application. You can write to the Court setting out your objection. The Court will consider your views. To object, you must send a signed letter saying that you object to the proposed Settlement in the *Walter Energy Securities Litigation*. Any objection must also include: (1) your name, address, telephone number, and your signature; (2) the date(s), price(s), and number(s) of shares of Walter Energy common stock that you purchased, acquired, and sold during the Settlement Class Period; (3) a statement of your objections to the Settlement, the reasons why you object, and whether you desire to appear and be heard at the Settlement Hearing; and (4) all documents or writings you desire the Court to consider. Your objection must be filed with the Court and mailed or delivered to each of the following addresses such that it is **received no later than [insert date]**:

<b>COURT</b>	<b>LEAD COUNSEL</b>	<b>DEFENDANTS’ COUNSEL</b>
Clerk of the Court United States District Court Northern District of Alabama Southern Division Hugo L. Black U.S. Courthouse 1729 Fifth Avenue North Birmingham, AL 35203	Andrew J. Brown Robbins Geller Rudman & Dowd LLP 655 West Broadway Suite 1900 San Diego, CA 92101  Andrew L. Zivitz Johnston de F. Whitman, Jr. Kessler Topaz Meltzer & Check, LLP 280 King of Prussia Road Radnor, PA 19087	George S. Wang Simpson Thacher & Bartlett LLP 425 Lexington Avenue New York, NY 10017

**18. What is the difference between objecting and excluding myself?**

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

**THE COURT’S SETTLEMENT HEARING**

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you do not have to.

**19. When and where will the Court decide whether to approve the proposed Settlement?**

The Court will hold a Settlement Hearing at\_\_: \_\_\_\_\_.m., on \_\_\_\_\_, \_\_\_\_\_, 2015, at the United States District Court for the Northern District of Alabama, Southern Division, Hugo L. Black U.S. Courthouse, 1729 Fifth Avenue North, Birmingham, AL 35203. At the hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Lead Counsel and the Lead Plaintiffs. After the Settlement Hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take. You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Settlement Class Members. If you want to attend the

hearing, you should check with Lead Counsel beforehand to be sure that the date and/or time has not changed.

**20. Do I have to come to the hearing?**

No. Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

**21. May I speak at the hearing?**

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (*see* question 18 above) a statement saying that it is your “Notice of Intention to Appear in the *Walter Energy Securities Litigation*.” Persons who intend to object to the Settlement, the Plan of Allocation, and/or the application for an award of attorneys’ fees, costs, and expenses and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing. You cannot speak at the hearing if you exclude yourself.

**IF YOU DO NOTHING**

**22. What happens if I do nothing at all?**

If you do nothing, you will get no money from this Settlement. But, unless you exclude yourself (in accordance with the procedures set forth herein), you will not be able to start a lawsuit or be part of any other lawsuit against the Released Persons about the legal issues in this case, ever again.

**GETTING MORE INFORMATION**

**23. Are there more details about the proposed Settlement?**

This Notice summarizes the proposed Settlement. More details are in a Stipulation and Agreement of Settlement dated July 15, 2015 (the “Settlement Agreement”). You can get a copy of the Settlement Agreement and obtain answers to common questions regarding the proposed Settlement by contacting the Claims Administrator toll-free at 1-\_\_\_\_\_. A copy of the Settlement Agreement can

be obtained from the website maintained by the Claims Administrator, [www.walterenergysecuritieslitigation.com](http://www.walterenergysecuritieslitigation.com).

**24. How do I get more information?**

For even more detailed information concerning the matters involved in this Action, reference is made to the pleadings, to the Settlement Agreement, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the United States District Court for the Northern District of Alabama, Southern Division, Hugo L. Black U.S. Courthouse, 1729 Fifth Avenue North, Birmingham, AL 35203, during regular business hours. For a fee, all papers filed in this Action are available at [www.pacer.gov](http://www.pacer.gov).

**PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG  
SETTLEMENT CLASS MEMBERS**

The Settlement Amount of \$25 million and any interest earned thereon shall be the “Settlement Fund.” The Settlement Fund, less all taxes, approved costs, fees, and expenses (the “Net Settlement Fund”) shall be distributed to Settlement Class Members who submit timely and valid Proof of Claim forms to the Claims Administrator (“Authorized Claimants”).

The Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s “Recognized Claim.” The Recognized Claim formula (below) is not intended to be an estimate of the amount of what a Settlement Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. Furthermore, if any of the formulas set forth below yield an amount less than \$0.00 the claim per share is \$0.00. The Court may approve the Plan of Allocation, or modify it without additional notice to the Settlement Class. Any order modifying the Plan of Allocation will be posted to the website for the Settlement, [www.walterenergysecuritieslitigation.com](http://www.walterenergysecuritieslitigation.com).

The following proposed Plan of Allocation reflects the assumption that the prices of Walter Energy common stock were allegedly artificially inflated during the Settlement Class Period. The Plan of Allocation was created with the assistance of a consulting damages expert who analyzed the movement of Walter Energy’s common stock after the alleged disclosures. It takes into account the portion of the stock drops Lead Plaintiffs purport is attributable to the alleged fraud. Accordingly, “Recognized Claims” will be calculated for purposes of the Settlement as follows:

August 4, 2011 Market Adjusted Price Decline:	\$24.44
September 21, 2011 Market Adjusted Price Decline:	\$3.57
PSLRA 90 day look-back amount:	\$69.23

1. For shares of Walter Energy common stock ***purchased, or acquired, on or between April 20, 2011 through August 3, 2011***, the claim per share shall be as follows:

- a) If sold prior to August 4, 2011, the claim per share is zero.
- b) If sold on, or between, August 4, 2011 through September 20, 2011, the claim per share shall be the lesser of (i) \$24.44 (August 4, 2011 Price Decline); or (ii) the difference between the purchase price and the selling price.
- c) If retained at the end of September 20, 2011 and sold before December 19, 2011, the claim per share shall be the lesser of (i) \$28.01 (August 4, 2011 & September 21, 2011 Price Declines); or (ii) the difference between the purchase price and the selling price; or (iii) the difference between the purchase price per share and the average closing price per share up to the date of sale as set forth in the table below.
- d) If retained, or sold, on or after December 19, 2011, the claim per share shall be the lesser of (i) \$28.01 (August 4, 2011 & September 21, 2011 Price Declines); or (ii) the difference between the purchase price per share and \$69.23 per share.

2. For shares of Walter Energy common stock ***purchased, or acquired, on or between August 4, 2011 through September 20, 2011***, the claim per share shall be as follows:

- a) If sold prior to September 21, 2011, the claim per share is zero.
- b) If retained at the end of September 20, 2011 and sold before December 19, 2011, the claim per share shall be the lesser of (i) \$3.57 (September 21, 2011 Price Decline); or (ii) the difference between the purchase price and the selling price; or (iii) the difference between the purchase price per share and the average closing price per share up to the date of sale as set forth in the table below.
- c) If retained, or sold, on or after December 19, 2011, the claim per share shall be the lesser of (i) \$3.57 (September 21, 2011 Price Decline);

or (ii) the difference between the purchase price per share and \$69.23 per share.

3. For shares of Walter Energy common stock *purchased, or acquired, on September 21, 2011*, the claim per share shall be \$0.00.<sup>1</sup>

<b>Date</b>	<b>Price</b>	<b>Average Closing Price</b>
21-Sep-11	\$66.25	\$66.25
22-Sep-11	\$64.10	\$65.18
23-Sep-11	\$64.50	\$64.95
26-Sep-11	\$66.77	\$65.41
27-Sep-11	\$68.26	\$65.98
28-Sep-11	\$63.11	\$65.50
29-Sep-11	\$60.45	\$64.78
30-Sep-11	\$60.01	\$64.18
3-Oct-11	\$56.90	\$63.37
4-Oct-11	\$58.16	\$62.85
5-Oct-11	\$61.30	\$62.71
6-Oct-11	\$63.06	\$62.74
7-Oct-11	\$61.08	\$62.61
10-Oct-11	\$63.79	\$62.70
11-Oct-11	\$66.19	\$62.93
12-Oct-11	\$66.77	\$63.17
13-Oct-11	\$75.22	\$63.88
14-Oct-11	\$77.36	\$64.63
17-Oct-11	\$71.98	\$65.01
18-Oct-11	\$74.88	\$65.51
19-Oct-11	\$74.15	\$65.92
20-Oct-11	\$74.75	\$66.32
21-Oct-11	\$75.00	\$66.70
24-Oct-11	\$77.73	\$67.16
25-Oct-11	\$74.42	\$67.45
26-Oct-11	\$75.88	\$67.77
27-Oct-11	\$79.16	\$68.19

<sup>1</sup> Please note that although the Settlement Class Period includes September 21, 2011, shares of Walter Energy common stock that were purchased and/or acquired on September 21, 2011 are not eligible for a recovery under the Plan of Allocation because the disclosure made on September 21, 2011 that Lead Plaintiffs allege corrected earlier alleged misrepresentations and omissions was made before the opening of trading that day.

<b>Date</b>	<b>Price</b>	<b>Average Closing Price</b>
28-Oct-11	\$81.25	\$68.66
31-Oct-11	\$75.65	\$68.90
1-Nov-11	\$74.37	\$69.08
2-Nov-11	\$73.73	\$69.23
3-Nov-11	\$74.30	\$69.39
4-Nov-11	\$75.63	\$69.58
7-Nov-11	\$76.01	\$69.77
8-Nov-11	\$75.67	\$69.94
9-Nov-11	\$71.39	\$69.98
10-Nov-11	\$70.74	\$70.00
11-Nov-11	\$72.00	\$70.05
14-Nov-11	\$75.53	\$70.19
15-Nov-11	\$75.16	\$70.32
16-Nov-11	\$75.19	\$70.44
17-Nov-11	\$73.10	\$70.50
18-Nov-11	\$72.12	\$70.54
21-Nov-11	\$68.51	\$70.49
22-Nov-11	\$67.29	\$70.42
23-Nov-11	\$63.87	\$70.28
25-Nov-11	\$63.13	\$70.12
28-Nov-11	\$65.86	\$70.04
29-Nov-11	\$65.85	\$69.95
30-Nov-11	\$71.70	\$69.99
1-Dec-11	\$72.04	\$70.03
2-Dec-11	\$71.68	\$70.06
5-Dec-11	\$72.24	\$70.10
6-Dec-11	\$72.11	\$70.14
7-Dec-11	\$69.73	\$70.13
8-Dec-11	\$65.12	\$70.04
9-Dec-11	\$67.14	\$69.99
12-Dec-11	\$64.46	\$69.89
13-Dec-11	\$60.99	\$69.74
14-Dec-11	\$62.32	\$69.62
15-Dec-11	\$62.71	\$69.51
16-Dec-11	\$62.81	\$69.40
19-Dec-11	\$58.60	\$69.23

Payment according to the Plan of Allocation will be deemed conclusive against all Authorized Claimants. A Recognized Claim will be calculated as defined herein

and cannot be less than zero. Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. No distributions will be made to Settlement Class Members whose distribution would be less than \$10.00.

Settlement Class Members who do not submit acceptable Proofs of Claim will not share in the Settlement proceeds. The Settlement and the Final Judgment and Order of Dismissal with Prejudice dismissing this Action will nevertheless bind Settlement Class Members who do not either submit a request for exclusion or submit an acceptable Proof of Claim.

Please contact the Claims Administrator or Lead Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are unsatisfied with the result, you may ask the Court, which retains jurisdiction over the claims administration process, to decide the issue by submitting a written request.

Defendants, their respective counsel, and all other Released Persons will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. Lead Plaintiffs and Plaintiffs' Counsel will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement Fund.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of un-cashed distribution checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Settlement Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund after at least six (6) months after the initial distribution of such funds shall be used: (1) first, to pay any amounts omitted from the initial disbursement, including claims submitted after the initial distribution or previously defective claims cured after the date of the initial distribution; (2) second, to pay any additional settlement administration fees, costs, and expenses, including those of Lead Counsel as may be approved by the Court; and (3) finally, to make a second distribution to claimants who cashed their checks from the initial distribution and who would receive at least \$10.00, after payment of the estimated costs, expenses, or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. These redistributions shall be repeated until the balance remaining in the Net Settlement

Fund is *de minimis* and such remaining balance shall then be donated to the following non-profit organization: Legal Aid Society of Birmingham.

**SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

If you purchased or acquired Walter Energy common stock during the Settlement Class Period for the beneficial interest of an individual or organization other than yourself, the Court has directed that, WITHIN TEN (10) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either: (1) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased or acquired such stock during such time period; or (2) request additional copies of this Notice and the Proof of Claim, which will be provided to you free of charge, and within ten (10) days mail the Notice and Proof of Claim directly to the beneficial owners of the stock referred to herein. If you choose to follow alternative procedure (2), upon such mailing, you must send a statement to the Claims Administrator confirming that the mailing was made as directed and retain the names and addresses for any future mailings to Settlement Class Members. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Your reasonable expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

*Walter Energy Securities Litigation*  
Claims Administrator  
c/o Epiq Systems, Inc.  
P.O. Box 4153  
Portland, OR 97208-4153  
[www.walterenergysecuritieslitigation.com](http://www.walterenergysecuritieslitigation.com).

DATED: \_\_\_\_\_

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

# **EXHIBIT A-2**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

In re WALTER ENERGY, INC.	)	Master File No. 2:12-cv-00281-VEH
SECURITIES LITIGATION	)	
_____	)	<u>CLASS ACTION</u>
	)	
This Document Relates To:	)	
	)	
ALL ACTIONS.	)	
	)	
_____	)	

PROOF OF CLAIM AND RELEASE

EXHIBIT A-2

## I. GENERAL INSTRUCTIONS

1. To be eligible to recover as a member of the Settlement Class<sup>1</sup> from the proposed settlement of claims against defendants Keith Calder, Neil Winkelmann, Walter Scheller and Joseph Leonard (“Defendants”) in the action entitled *In re Walter Energy, Inc. Securities Litigation*, Master File No. 2:12-cv-00281-VEH (the “Action”), you must submit a completed and signed Proof of Claim and Release (“Proof of Claim”), accompanied by copies of the documents requested herein, by first-class mail, postage prepaid, on or before \_\_\_\_\_, 2015, to the Claims Administrator at the following address:

*Walter Energy Securities Litigation*  
Claims Administrator  
c/o Epiq Systems, Inc.  
P.O. Box 4153  
Portland, OR 97208-4153

[www.walterenergysecuritieslitigation.com](http://www.walterenergysecuritieslitigation.com).

2. By signing and submitting this Proof of Claim, you will be certifying that you have read the Notice of Pendency and Proposed Settlement of Class Action that accompanied this Proof of Claim and acknowledge the claims that are being released by the Settlement.

3. If you fail to file a timely, properly addressed Proof of Claim (as set forth below), your claim may be rejected and you may be precluded from any

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<sup>1</sup> Capitalized terms not defined herein have the meanings ascribed to them in the accompanying Notice of Pendency and Proposed Settlement of Class Action (the “Notice”).

recovery from the Net Settlement Fund created in connection with the proposed Settlement of the Action.

4. Submission of this Proof of Claim, however, does not assure that you will share in the proceeds of the Settlement of the Action.

5. If you are NOT a member of the Settlement Class, as defined in the Notice, DO NOT submit a Proof of Claim.

6. If you are a member of the Settlement Class and you do not timely request exclusion in connection with the proposed Settlement, you will be bound by the terms of any judgment entered in the Action, including the releases provided therein, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM.

## **II. CLAIMANT IDENTIFICATION**

Use Part I of this form entitled “Claimant Identification” to identify each purchaser or acquirer of record (“nominee”), if different from the beneficial purchaser or acquirer of the Walter Energy common stock which form the basis of this claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR ACQUIRER(S) OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S) OR ACQUIRER(S) OF THE WALTER ENERGY COMMON STOCK UPON WHICH THIS CLAIM IS BASED.

If you purchased or acquired the common stock of Walter Energy, Inc. (“Walter Energy” or the “Company”) between April 20, 2011 and September 21, 2011, and held the certificate(s) in your name, you are the beneficial purchaser or

acquirer as well as the record purchaser or acquirer. If, however, you purchased or acquired the common stock of Walter Energy during the Settlement Class Period and the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser or acquirer and the third party is the record purchaser or acquirer.

All joint purchasers and acquirers must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

If you are acting in a representative capacity on behalf of a Settlement Class Member (for example, as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that Settlement Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.

The Claims Administrator will use the information provided for all communications relevant to your claim (including for the provision of a check, if

eligible for payment). If the information you provide changes, you **MUST** notify the Claims Administrator in writing at the address above.

### **III. CLAIM FORM**

Use Part II of this form entitled “Schedule of Transactions in Walter Energy Common Stock” to supply all required details of your transaction(s) in Walter Energy common stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

On the schedules, provide all of the requested information with respect to ***all*** of your purchases and acquisitions and ***all*** of your sales of Walter Energy common stock between April 20, 2011 and December 19, 2011, inclusive, whether such transactions resulted in a profit or a loss. You must also provide all of the requested information with respect to ***all*** of the Walter Energy common stock you held at the close of trading on April 19, 2011, September 20, 2011, and December 19, 2011. Failure to report all such transactions may result in the rejection of your claim.

List each transaction separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.

For short-sale transactions, the date of covering a “short sale” is deemed to be the date of purchase or acquisition of Walter Energy common stock, and the

date of a “short sale” is deemed to be the date of sale of Walter Energy common stock.

For each transaction, you must provide, together with this claim form, copies of stockbroker confirmation slips, stockbroker statements, or other documents evidencing your transactions in Walter Energy common stock. If any such documents are not in your possession, please obtain a copy or equivalent documents from your broker because these documents are necessary to prove and process your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

**NOTICE REGARDING ELECTRONIC FILES:** Certain claimants with large numbers of transactions may request to, or may be requested to, submit information regarding their transactions in electronic files. All claimants **MUST** submit a manually signed paper Proof of Claim form listing all their transactions whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at \_\_\_\_\_ to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the claimant a written acknowledgement of receipt and acceptance of electronically submitted data.

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

*In re Walter Energy, Inc. Securities Litigation*

No. 2:12-cv-00281-VEH

PROOF OF CLAIM AND RELEASE

Must Be Postmarked (if Mailed) or Received (if Filed Electronically) No Later Than:

\_\_\_\_\_, 2015

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

\_\_\_\_\_  
Beneficial Owner's Name (First, Middle, Last)

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State or Province

\_\_\_\_\_  
Zip Code or Postal Code

\_\_\_\_\_  
Country

\_\_\_\_\_  
Social Security Number or  
Taxpayer Identification Number

\_\_\_\_\_  
\_\_\_\_\_  
Individual  
Corporation/Other

\_\_\_\_\_  
Area Code

\_\_\_\_\_  
Telephone Number (work)

---

Area Code

---

Telephone Number (home)

---

Record Owner's Name (if different from beneficial owner listed above)

**PART II: SCHEDULE OF TRANSACTIONS IN WALTER ENERGY COMMON STOCK**

- A. Number of shares of Walter Energy common stock held at the close of trading on April 19, 2011: \_\_\_\_\_.
- B. Purchases or acquisitions of Walter Energy common stock between April 20, 2011 and December 19, 2011, inclusive:

Trade Date Mo. Day Year	Number of Shares Purchased or Acquired	Total Purchase of Acquisition Price
1. _____	1. _____ 2. _____	1. _____ 2. _____
2. _____	3. _____	3. _____
3. _____		

**IMPORTANT:**

- (i) If any purchase listed covered a “short sale,” please mark Yes:  Yes
- (ii) If you received shares through an acquisition, please identify the date, the share amount, and the company acquired:  
 \_\_\_\_/\_\_\_\_/\_\_\_\_ Merger Shares: \_\_\_\_\_  
 MM/DD/YYYY Company: \_\_\_\_\_

- C. Sales of Walter Energy common stock between April 20, 2011 and December 19, 2011, inclusive:

Trade Date Mo. Day Year	Number of Shares Sold	Total Sales Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

- D. Number of shares of Walter Energy common stock held at the close of trading on September 20, 2011: \_\_\_\_\_.
- E. Number of shares of Walter Energy common stock held at the close of trading on December 19, 2011: \_\_\_\_\_.

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

**YOUR SIGNATURE ON PAGE \_\_ WILL CONSTITUTE YOUR  
ACKNOWLEDGMENT OF THE RELEASE DESCRIBED IN PART V  
BELOW.**

**IV. SUBMISSION TO JURISDICTION OF COURT AND  
ACKNOWLEDGMENTS**

I (We) submit this Proof of Claim under the terms of the Stipulation and Agreement of Settlement (“Stipulation”) described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Northern District of Alabama, Southern Division, with respect to my (our) claim as a Settlement Class Member and for purposes of enforcing the release set forth 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 the Action. I (We) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so. I (We) have not submitted any other claim in connection with the purchase or acquisition of Walter Energy common stock during the Settlement Class Period and know of no other person having done so on my (our) behalf.

## V. RELEASE

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release, and discharge from the Released Claims each and all of the Released Persons as provided in the Stipulation.

2. “Related Persons” means, with respect to Walter Energy and the Defendants, any and/or all of their immediate families, parent entities, business units, business divisions, associates, affiliates or subsidiaries and each and all of their past, present, or future officers, directors, stockholders, employees, attorneys, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, insurers, engineers, advisors or agents, heirs, executors, trustees, general or limited partners or partnerships, personal representatives, estates, administrators, and each of their respective predecessors, successors, and assigns.

3. “Released Persons” means Walter Energy, Inc., each and all of the Defendants, and each and all of Walter Energy’s and Defendants’ Related Persons.

4. “Released Claims” means any and all claims arising out of or relating to both: (i) the purchase or acquisition of Walter Energy common stock during the Settlement Class Period; and (ii) the acts, facts, statements, omissions or damages that were or could have been alleged in the Action, including any and all claims, demands, losses, rights, causes of action, liabilities, obligations, judgments, suits, matters and issues of any kind or nature whatsoever, whether known or Unknown

Claims, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, that have been or could have been asserted in the Action or in any court, tribunal, forum or proceeding (including, but not limited to, any claims arising under federal, state, foreign, or common law, or any statute, rule or regulation relating to alleged fraud, breach of any duty, negligence, violations of the federal securities laws, or otherwise and including all claims within the exclusive jurisdiction of the federal courts), whether individual, class, direct, representative, legal, equitable or any other type or in any other capacity, against the Released Persons, which Lead Plaintiffs or any member of the Settlement Class, or their legal representatives, heirs, successors-in-interest, transferees and assigns of all such foregoing holders, ever had, now has, or hereafter can, shall, or may have had, provided that Released Claims does not include claims to enforce the terms of the Settlement and the claims asserted in the following pending actions:

- (i) *In re Walter Energy, Inc. Derivative Litig.*, Lead Case No. 2:12-cv-719-RDP (N.D. Ala.) (Consolidated with 2:12-cv-3476-JHE);
- (ii) *In re Walter Energy, Inc. Shareholder Derivative Litig.*, Master File No. 01-CV-2012-900406 (Consolidated with Case Nos. 01-CV-2012-900451 and 01-CV-2012-900503) (10th Jud. Cir., Jefferson Cty., Ala.).

5. “Unknown Claims” means any and all Released Claims that Lead Plaintiffs and/or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons, and any and all Released Claims that the Released Persons do not know or suspect to exist in his, her or its favor, which if known by him, her or it might have affected his, her or its settlement with and release of the Released Persons (or Lead Plaintiffs, Plaintiffs’ Counsel and the members of the Settlement Class, as appropriate), or might have affected his, her or its decision not to object to this Settlement or not exclude himself, herself or itself from the Settlement Class. With respect to any and all Released Claims, the parties stipulate and agree that, upon the Effective Date, Lead Plaintiffs and Defendants shall expressly waive, and each Settlement Class Member and Released Person shall be deemed to have waived, and by operation of the Order and Final Judgment shall have expressly waived, to the fullest extent permitted by law, any and all provisions, rights and benefits conferred by Cal. Civ. Code § 1542, and any law of any state or territory of the United States, or principle of common law, or the law of any foreign jurisdiction, that is similar, comparable or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiffs and other Settlement Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Lead Plaintiffs shall expressly, and each other Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Order and Final Judgment shall have, fully, finally and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiffs and Defendants acknowledge, and Settlement Class Members and Released Persons by law and operation of the Order and Final Judgment shall be deemed to have acknowledged, that the foregoing waiver was separately bargained for and is an essential term of the Settlement of which this release is a part.

6. This release shall be of no force or effect unless and until the Court approves the Settlement Agreement and the Settlement becomes effective on the Effective Date.

7. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any claim or matter released pursuant to this release or any other part or portion thereof.

8. I (We) hereby warrant and represent that I (we) have included information about all of my (our) purchases, acquisitions, and sales of Walter Energy common stock between April 20, 2011 and December 19, 2011, inclusive, and the number of shares of Walter Energy common stock held by me (us) at the close of trading on April 19, 2011, September 20, 2011, and December 19, 2011.

9. 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.

Note: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

I declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this \_\_\_\_\_ day of \_\_\_\_\_  
(Month/Year)

in \_\_\_\_\_  
(City) (State/Country)

\_\_\_\_\_  
(Sign your name here)

\_\_\_\_\_  
(Type or print your name here)

\_\_\_\_\_  
(Capacity of person(s) signing,  
*e.g.*, Beneficial Purchaser or Acquirer,  
Executor or Administrator)

**ACCURATE CLAIMS PROCESSING TAKES A  
SIGNIFICANT AMOUNT OF TIME.  
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above release and declaration.
2. Remember to attach supporting documentation, if available.
3. Do not send original stock certificates.
4. Keep a copy of your claim form for your records.
5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.
6. If you move, please send us your new address.

# **EXHIBIT A-3**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

In re WALTER ENERGY, INC. SECURITIES LITIGATION	)	Master File No. 2:12-cv-00281-VEH
_____	)	<u>CLASS ACTION</u>
This Document Relates To:	)	
ALL ACTIONS.	)	
_____	)	

SUMMARY NOTICE

EXHIBIT A-3

TO: ALL PERSONS WHO PURCHASED OR ACQUIRED WALTER ENERGY, INC. (“WALTER ENERGY”) COMMON STOCK BETWEEN APRIL 20, 2011 AND SEPTEMBER 21, 2011

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Northern District of Alabama, Southern Division, that a hearing will be held on \_\_\_\_\_, 2015, at \_\_\_:\_\_\_ .m., at the United States District Court, Northern District of Alabama, Southern Division, Hugo L. Black U.S. Courthouse, 1729 Fifth Avenue North, Birmingham, AL 35203, for the purpose of determining: (1) whether the proposed Settlement of the claims in the Action for the amount of \$25,000,000.00 plus interest, should be approved by the Court as fair, reasonable, and adequate; (2) whether a Final Judgment and Order of Dismissal with Prejudice (“Judgment”) should be entered by the Court dismissing the Action with prejudice and releasing the Released Claims; (3) whether the Plan of Allocation is fair, reasonable, and adequate and should be approved; and (4) whether the application of Lead Counsel for the payment of attorneys’ fees, costs, and expenses and of any Lead Plaintiffs’ expenses should be approved.

IF YOU PURCHASED OR ACQUIRED WALTER ENERGY COMMON STOCK BETWEEN APRIL 20, 2011 AND SEPTEMBER 21, 2011, YOUR RIGHTS WILL BE AFFECTED BY THE SETTLEMENT OF THIS ACTION, INCLUDING THE RELEASE AND EXTINGUISHMENT OF CLAIMS YOU MAY POSSESS RELATING TO YOUR PURCHASE OR ACQUISITION OF WALTER ENERGY COMMON STOCK DURING THE SETTLEMENT CLASS PERIOD. If you have

not received a detailed Notice of Pendency and Proposed Settlement of Class Action (“Notice”) and a copy of the Proof of Claim and Release form (“Proof of Claim”), you may obtain copies of these documents by contacting the Claims Administrator at *Walter Energy Securities Litigation*, Claims Administrator, c/o Epiq Systems, Inc., P.O. Box 4153, Portland, OR 97208-4153. Copies of the Notice and Proof of Claim can also be downloaded from the Settlement website, [www.walterenergysecuritieslitigation.com](http://www.walterenergysecuritieslitigation.com). If you are a Settlement Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim *by mail postmarked no later than \_\_\_\_\_, or submitted electronically no later than \_\_\_\_\_*.

If you purchased or acquired Walter Energy common stock during the Settlement Class Period and you desire to be excluded from the Settlement Class, you must submit a request for exclusion so that it is *received no later than \_\_\_\_\_*, in the manner and form explained in the detailed Notice referred to above. All members of the Settlement Class who do not timely and validly request exclusion from the Settlement Class will be bound by any judgment entered in the Action pursuant to the Stipulation and Agreement of Settlement.

Any objection to the Settlement, the Plan of Allocation, or the fee and expense application must be *received, not simply postmarked*, by each of the following recipients *no later than \_\_\_\_\_*:

CLERK OF THE COURT  
United States District Court  
Northern District of Alabama  
Southern Division  
Hugo L. Black U.S. Courthouse  
1729 Fifth Avenue North  
Birmingham, AL 35203

*Lead Counsel:*

ROBBINS GELLER RUDMAN & DOWD LLP  
ANDREW J. BROWN  
655 West Broadway, Suite 1900  
San Diego, CA 92101

KESSLER TOPAZ MELTZER & CHECK, LLP  
ANDREW L. ZIVITZ  
JOHNSTON DE F. WHITMAN, JR.  
280 King of Prussia Road  
Radnor, PA 19087

*Counsel for Defendants:*

SIMPSON THACHER & BARTLETT LLP  
GEORGE S. WANG  
425 Lexington Avenue  
New York, NY 10017

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S  
OFFICE REGARDING THIS NOTICE.** If you have any questions about the  
Settlement, you may contact Lead Counsel at the addresses listed above.

DATED: \_\_\_\_\_

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DISTRICT

# **EXHIBIT B**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

In re WALTER ENERGY, INC.	)	Master File No. 2:12-cv-00281-VEH
SECURITIES LITIGATION	)	
_____	)	<u>CLASS ACTION</u>
	)	
This Document Relates To:	)	
	)	
ALL ACTIONS.	)	
	)	
_____	)	

[PROPOSED] FINAL JUDGMENT AND ORDER OF  
DISMISSAL WITH PREJUDICE

EXHIBIT B

This matter came before the Court for hearing pursuant to the Order Preliminarily Approving Settlement and Providing for Notice (“Notice Order”) dated \_\_\_\_\_, 2015, on the application of the Settling Parties for approval of the Settlement set forth in the Stipulation and Agreement of Settlement dated July 15, 2015 (the “Stipulation”). Due and adequate notice having been given to the Settlement Class as required in said Order, and the Court having considered all papers filed and proceedings had herein and otherwise being fully informed of the matters hereto and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Final Judgment and Order of Dismissal with Prejudice (“Judgment”) incorporates by reference the definitions in the Stipulation, and all terms used herein shall have the same meanings as set forth in the Stipulation, unless otherwise set forth herein.

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

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court finally certifies, solely for purposes of effectuating the Settlement, this Action as a class action on behalf of a Settlement Class defined as all persons and entities that purchased or otherwise acquired the publicly traded common stock of Walter Energy between April 20, 2011 and September 21, 2011, and were damaged thereby. Excluded from the Settlement Class are Walter Energy and the Defendants,

Defendants' immediate families, any person, firm, trust, corporation, officer, director or other individual or entity in which any current or former defendant has a controlling interest, and the legal representatives, affiliates, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Settlement Class is any Person who elected to exclude himself, herself, or itself from the Settlement Class on a timely basis in response to and in accordance with the provisions set forth in the Notice sent to potential Settlement Class Members.

4. Lead Plaintiffs are hereby appointed, for purposes of effectuating the Settlement only, as Class Representatives for purposes of Federal Rule of Civil Procedure 23. Robbins Geller Rudman & Dowd LLP and Kessler Topaz Meltzer & Check, LLP, which were appointed by the Court to serve as Lead Counsel, are hereby appointed, for settlement purposes only, as Class Counsel pursuant to Rules 23(c)(1)(B) and (g) of the Federal Rules of Civil Procedure.

5. Pursuant to Federal Rule of Civil Procedure 23, this Court hereby approves the Settlement set forth in the Stipulation and finds that: (a) said Settlement is, in all respects, fair, reasonable, and adequate to the Settlement Class; (b) there was no collusion in connection with the Settlement; (c) the Stipulation was the product of informed, arm's-length negotiations among competent, able counsel; and (d) the record is sufficiently developed and complete to have enabled the Lead Plaintiffs and Defendants to have adequately evaluated and considered their positions.

6. Accordingly, the Court authorizes and directs implementation of all the terms and provisions of the Stipulation, as well as the terms and provisions hereof. Except as to any individual claim of those Persons (identified in Exhibit 1 attached hereto) who have timely and validly requested exclusion from the Settlement Class, the Court hereby dismisses the Action and all Released Claims of the Settlement Class with prejudice, without costs as to any of the Released Persons, except as and to the extent provided in the Stipulation and herein.

7. Upon the Effective Date hereof, and as provided in the Stipulation, Lead Plaintiffs and each of the Settlement Class Members, other than those listed on Exhibit 1 hereto, and their predecessors, successors, agents, representatives, attorneys, and affiliates, and the heirs, executors, administrators, successors, and assigns of each of them, in their capacity as such, shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished, and discharged any and all Released Claims (including, without limitation, Unknown Claims) against the Released Persons (whether or not such Settlement Class Member executes and delivers the Proof of Claim and Release), as well as any claims arising out of, relating to, or in connection with, the defense, settlement, or resolution of the Action or the Released Claims against the Released Persons, Lead Plaintiffs and/or Plaintiffs' Counsel, except for claims relating to the enforcement of the Settlement.

8. Upon the Effective Date hereof, and as provided in the Stipulation, Defendants and each of the other Released Persons shall be deemed to have, and by

operation of this Judgment shall have, fully, finally, and forever released, relinquished, dismissed, and discharged Lead Plaintiffs, each and all of the Settlement Class Members, other than those listed on Exhibit 1 hereto, and their respective counsel from all claims (including, without limitation, Unknown Claims) arising out of, relating to, or in connection with, the institution, prosecution, assertion, settlement, or resolution of the Action or the Released Claims, except for claims relating to the enforcement of the Settlement.

9. Upon the Effective Date hereof, Lead Plaintiffs and each of the Settlement Class Members, other than those listed on Exhibit 1 hereto, and their predecessors, successors, agents, representatives, attorneys, and affiliates, and the heirs, executors, administrators, successors, and assigns of each of them, in their capacity as such, shall be deemed to be, and by virtue of this Judgment shall be, permanently barred and enjoined from the assertion, institution, maintenance, prosecution, or enforcement against any Released Person, in any state or federal court or arbitral forum, or in the court of any foreign jurisdiction, administrative forum or other forum of any kind, of any and all Released Claims (including, without limitation, Unknown Claims), as well as any claims arising out of, relating to, or in connection with, the defense, settlement, or resolution of the Action or the Released Claims against the Released Persons, Lead Plaintiffs and/or Plaintiffs' Counsel, except for claims relating to the enforcement of the Settlement, whether or not such Settlement Class Member executes and delivers the Proof of Claim and Release.

10. The Notice of Pendency and Proposed Settlement of Class Action given to the Settlement Class in accordance with the Notice Order entered on \_\_\_\_\_, 2015 was the best notice practicable under the circumstances, including the individual notice to all members of the Settlement Class who could be identified through reasonable effort. Said notice provided the best notice practicable under the circumstances of those proceedings and of the matters set forth therein, including the proposed Settlement set forth in the Stipulation, to all Persons entitled to such notice, and said notice fully satisfied the requirements of Federal Rule of Civil Procedure 23, the requirements of due process, and the requirement of Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), and all other applicable law and rules.

11. Separate orders shall be entered regarding the proposed Plan of Allocation and Lead Counsel’s motion for attorneys’ fees and payment of costs and expenses as allowed by the Court. Any plan of allocation submitted by Lead Counsel or any order entered regarding any attorneys’ fee and expense application shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment.

12. Neither the Stipulation nor any of its terms or provisions, nor any of the negotiations, discussions, proceedings connected with it, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement:

(a) is or may be deemed to be or may be used, offered or received as an admission of, or evidence of, the validity of any of the allegations in the Action or of the validity of any Released Claim, or of any wrongdoing or liability of the Released Persons; or (b) is or may be deemed to be or may be used, offered or received as an admission of, or evidence of, any fault or omission of any of the Released Persons in any civil, criminal, or administrative proceeding in any court, arbitration proceeding, administrative agency, or forum or tribunal in which the Released Persons are or become parties; or (c) is or may be deemed to be or may be used, offered or received against the Released Persons as an admission, concession or evidence of the infirmity or strength of any claims raised in the litigation or the availability or lack of availability of meritorious defenses to the claims raised in the litigation; or (d) is or may be deemed to be or shall be construed as or received in evidence as an admission or concession by or against the Released Persons that any of Lead Plaintiffs' claims are with or without merit, that damages recoverable under Lead Plaintiffs' operative complaint would have been greater or less than the Settlement Fund or that the consideration to be given hereunder represents an amount equal to, less than or greater than that amount that could have or would have been recovered after trial; or (e) is or may be deemed to be or may be used, offered or received as an admission or evidence that any claims asserted by Lead Plaintiffs were not valid or that the amount recoverable was not greater than the Settlement Amount, in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. The

Released Persons, Lead Plaintiffs, Settlement Class Members, and their respective counsel, may file the Stipulation and/or this Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim. The Settling Parties may file the Stipulation and/or this Judgment in any proceedings that may be necessary to consummate or enforce the Stipulation, the Settlement, or this Judgment.

13. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing exclusive jurisdiction over: (a) implementation of this Settlement and any award or distribution of the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund; (c) hearing and determining applications for attorneys' fees, interest, costs, and expenses in the Action; and (d) all Settling Parties hereto for the purpose of construing, enforcing, and administering the Settlement pursuant to the terms of the Stipulation.

14. The Court finds that during the course of the Action, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

15. To the extent that the Class Action Fairness Act of 2005, 28 U.S.C. §1715 ("CAFA"), requires that certain federal and state governmental officials be given notice of a proposed class action settlement, the Court finds that Defendants

properly gave CAFA notice to those federal and state governmental officials and that Defendants' notice obligations under CAFA, and specifically 28 U.S.C. §1715(b), have been satisfied.

16. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation, or the Effective Date does not occur, or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendants, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and, in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

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

18. The Court directs immediate entry of this Judgment by the Clerk of the Court.

IT IS SO ORDERED.

DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HON. VIRGINIA EMERSON HOPKINS  
UNITED STATES DISTRICT JUDGE