

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS

LOUISIANA FIREFIGHTERS' RETIREMENT SYSTEM, THE BOARD OF TRUSTEES OF THE PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO, THE BOARD OF TRUSTEES OF THE CITY OF PONTIAC POLICE & FIRE RETIREMENT SYSTEM, and THE BOARD OF TRUSTEES OF THE CITY OF PONTIAC GENERAL EMPLOYEES RETIREMENT SYSTEM, on behalf of themselves and all others similarly situated,

Plaintiffs,

v.

NORTHERN TRUST INVESTMENTS, N.A., and THE NORTHERN TRUST COMPANY,

Defendants.

Case No. 09-7203

Hon. Jorge L. Alonso

**ORDER: (1) PRELIMINARILY APPROVING PROPOSED SETTLEMENT OF CLASS ACTION; (2) ESTABLISHING A PLAN FOR NOTICE OF THE SETTLEMENT AND PROVIDING CLASS MEMBERS WITH AN OPPORTUNITY TO EXCLUDE THEMSELVES FROM OR OBJECT TO THE SETTLEMENT; (3) APPOINTING A SETTLEMENT ADMINISTRATOR; AND (4) SCHEDULING A SETTLEMENT HEARING AND HEARING ON CO-LEAD COUNSEL'S MOTION FOR FEES AND LITIGATION EXPENSES**

WHEREAS, a consolidated class action is pending in this Court entitled *Louisiana Firefighters' Retirement System, et al. v. Northern Trust Investments, N.A. et al.*, Civil Action No. 09-7203 (the "Action"); and

WHEREAS, (a) plaintiffs The Board of Trustees of the City of Pontiac Police & Fire Retirement System (the "Pontiac Police & Fire Board") and The Board of Trustees of the City of Pontiac General Employees Retirement System (the "Pontiac General Board") (collectively, the "Settling Plaintiffs"), each of the foregoing on behalf of themselves and the Class, and

(b) defendants Northern Trust Investments, Inc. (“NTI”) and The Northern Trust Company (“NTC”) (NTI and NTC collectively to be referred to as “Northern Trust” or “Defendants”) have determined to settle with prejudice all remaining claims asserted in the Action against Defendants (*i.e.*, the Direct Lending claims) on the terms and conditions set forth in the Stipulation and Agreement of Settlement of Direct Lending Claims dated July 25, 2016 (the “Stipulation”) subject to approval of this Court (the “Settlement”); and

WHEREAS, Settling Plaintiffs have made an application, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for an order preliminarily approving the Settlement in accordance with the Stipulation and providing for notice to Class Members as more fully described herein; and

WHEREAS, the Court has read and considered (a) the Second Amended Class Action Complaint, filed in this Action on March 29, 2012 (the “Second Amended Complaint”) and Defendants’ answer and affirmative defenses thereto; (b) Settling Plaintiffs’ motion for preliminary approval of the Settlement, and the papers filed and arguments made in connection therewith; and (c) the Stipulation and the exhibits attached thereto; and

WHEREAS, unless otherwise defined herein, all capitalized words contained herein shall have the same meanings as they have in the Stipulation;

NOW THEREFORE, IT IS HEREBY ORDERED:

1. **Class Certification for Settlement Purposes** – Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Court hereby certifies the Class for settlement purposes. The Class consists of all entities that are not governed by ERISA (notwithstanding any incorporation of an ERISA standard of care or other ERISA standards into any such entity’s applicable contracts with Northern Trust) and that directly invested or maintained investments or

assets during the Class Period (*i.e.*, the period beginning September 14, 2008 through and including December 31, 2010) in any of the Core Pools. Excluded from the Class are: (i) Defendants and their successors, their respective officers and directors (former, current and future), members of the Immediate Families of the respective officers and directors (former, current and future), and the legal representatives, heirs, successors or assigns of any such excluded person, and any entity in which any Defendant has or had a controlling interest; (ii) any Commingled Lending Fund; and (iii) entities that exclude themselves by submitting a Request for Exclusion that is accepted by the Court.

2. **Class Findings** – For settlement purposes, the Court finds that each element required for certification of the Class pursuant to Rule 23 of the Federal Rules of Civil Procedure has been met: (a) the members of the Class are so numerous that their joinder in the Action is impracticable; (b) there are questions of law and fact common to the members of the Class that predominate over any questions affecting only individual members of the Class; (c) the claims of Settling Plaintiffs are typical of the claims of the Class; (d) Settling Plaintiffs and Co-Lead Counsel have fairly and adequately represented and protected the interests of the Class; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the claims asserted in the Action against Defendants with respect to Direct Lending by Class Members.

3. For settlement purposes, the Court hereby finds and concludes that pursuant to Rule 23 of the Federal Rules of Civil Procedure, Settling Plaintiffs are adequate class representatives and certifies them as Class Representatives for the Class, and appoints Co-Lead Counsel as Class Counsel for the Class. Settling Plaintiffs and Co-Lead Counsel have fairly and adequately represented the Class both in terms of litigating the claims of the Class with respect to

their Direct Lending and for purposes of entering into and implementing the Settlement and have satisfied the requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g), respectively.

4. **Preliminary Approval of the Settlement** – The Court hereby preliminarily approves the Settlement, as embodied in the Stipulation, as being fair, reasonable and adequate as to the Class Members, subject to further consideration at the Settlement Hearing to be conducted as described below.

5. **Settlement Hearing** – The Court will hold a settlement hearing (the “Settlement Hearing”) on January 11, 2017 at 11:00 a.m. in Courtroom 1219 of the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, IL, 60604, for the following purposes: (a) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, adequate and in the best interests of the Class and should be approved by the Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit B to the Stipulation should be entered pursuant to the terms of the Settlement dismissing with prejudice all claims asserted in the Action against Defendants with respect to Direct Lending by the Settling Plaintiffs and the other Class Members; (c) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable and should be approved; (d) to determine whether the separate motion by Co-Lead Counsel for an award of attorneys’ fees and reimbursement of Litigation Expenses should be approved; and (e) to consider any other matters that may properly be brought before the Court in connection with the Settlement. Notice of the Settlement and the Settlement Hearing shall be given to Class Members as set forth in Paragraph 8 of this Order.

6. The Court may adjourn the Settlement Hearing and approve the proposed Settlement with such modifications as the Settling Parties may agree to, if appropriate, without further notice to the Class.

7. **Retention of Settlement Administrator** – Co-Lead Counsel are hereby authorized to retain Garden City Group, LLC (the “Settlement Administrator”) to supervise and administer the Settlement as more fully set forth below.

8. **Manner of Giving Notice** – Notice of the Settlement and the Settlement Hearing shall be given as follows:

(a) Defendants shall, at no cost to the Settlement Fund, the Settling Plaintiffs, Co-Lead Counsel, or the Settlement Administrator develop two lists, as follows: (1) a list of all Class Members identified by Defendants, which shall include, to the extent possible, the most current mailing address and contact person(s) for each class member and the e-mail address for each contact person; and (2) a list setting forth each of the Core Pools in which each such identified Class Member was invested on each of the Relevant Dates and the dollar value of the class member’s investment in each of those Core Pools on each of the Relevant Dates. In compiling the lists referenced in the preceding sentence, Defendants shall take all reasonable steps necessary to provide complete and accurate information, but Defendants shall have no obligation to seek information beyond that which is in their client records or of which they have then-current knowledge;

(b) not later than ten (10) business days after entry of this Order, Defendants shall, at no cost to the Settlement Fund, the Settling Plaintiffs, Co-Lead Counsel or the Settlement Administrator, cause the Banking Notice, substantially in the form attached hereto as Exhibit 1, and a copy of this Order, to be sent via either first-class U.S. mail or e-mail to each

Class Member identified by Defendants using the contact information described in subparagraph (a) above. The date that such notice is sent shall be referred to as the “Banking Notice Date”;

(c) not later than twenty-six (26) business days after entry of this Order, Defendants shall, at no cost to the Settlement Fund, the Settling Plaintiffs, Co-Lead Counsel, or the Settlement Administrator, provide the Settlement Administrator with the lists referenced in subparagraph (a) above. The information set forth in such lists shall be provided to the Settlement Administrator (and may be provided by the Settlement Administrator to Co-Lead Counsel) solely for the purpose of providing notice of the Settlement to each Class Member, calculating each Class Member’s *pro rata* share of the Net Settlement Fund, responding to Class Members’ inquiries, dealing with Challenges (including submission of disputed Challenges to the Court), confirming membership in the Class, and as otherwise deemed necessary for the purpose of the administration of the Settlement, and such information shall otherwise remain confidential unless further disclosure consistent with applicable law is allowed;

(d) not later than forty (40) business days after entry of this Order (the “Settlement Notice Date”), Co-Lead Counsel shall cause the Settlement Administrator to mail a copy of the Cover Letter and Settlement Notice, substantially in the forms attached hereto as Exhibits 2 and 3, respectively (the “Settlement Notice Packet”), by first-class U.S. mail to each Class Member identified by Defendants using the contact information described in subparagraph (a) above. In the event that any Class Member’s mailing is returned, the Settlement Administrator shall use reasonable secondary efforts to obtain an updated address for such Class Member;

(e) not later than ten (10) business days after the Settlement Notice Date (the “Summary Notice Date”), Co-Lead Counsel shall cause the Summary Notice, substantially in the

form attached hereto as Exhibit 4, to be published once in *The Wall Street Journal* and to be transmitted once over the *PR Newswire*; and

(f) not later than seven (7) calendar days prior to the Settlement Hearing, Defendants shall file with the Court, through the ECF system, proof, by affidavit or declaration, of the mailing or e-mailing of the Banking Notice in accordance with subparagraph (b) above; and Settling Plaintiffs shall file with the Court, through the ECF system, proof, by affidavit or declaration, of the mailing of the Settlement Notice Packet and publication of the Summary Notice in accordance with subparagraphs (d) and (e) above, respectively.

9. **Approval of Form and Content of Notice** – The Court (a) approves, as to form and content, the Banking Notice, the Cover Letter, the Settlement Notice, and the Summary Notice, attached hereto as Exhibits 1, 2, 3, and 4 respectively, and (b) finds that the dissemination of the Banking Notice, Cover Letter and Settlement Notice and the publication of the Summary Notice in the manner and form set forth in Paragraph 8 of this Order (i) is the best notice practicable under the circumstances; (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise Class Members of the pendency of the Action; of the effect of the proposed Settlement (including the Releases provided for therein and the Plan of Allocation); of Co-Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses; of their right to object to the Settlement, the Plan of Allocation and/or Co-Lead Counsel’s motion for attorneys’ fees and reimbursement of Litigation Expenses; of their right to exclude themselves from the Class; and of their right to appear at the Settlement Hearing; (iii) constitutes due, adequate and sufficient notice to all entities entitled to receive notice of the proposed Settlement; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), and all other

applicable laws and rules. The date and time of the Settlement Hearing shall be included in the Settlement Notice and Summary Notice before they are mailed and published, respectively.

10. **Participation in the Settlement** – Class Members that wish to participate in the Settlement and be eligible to receive a distribution from the Net Settlement Fund do not need to take any action. However, if a Class Member directs Defendants not to provide to the Settlement Administrator the information set forth in Paragraph 8(a) above as it relates to it, Defendants will honor such request, and such Class Member shall not be considered an Authorized Payee and shall not be entitled to receive any distribution from the Net Settlement Fund or payment pursuant to the Stipulation, but shall in all other respects be bound by all of the terms of the Stipulation and the Settlement if it is approved, including the terms of the Judgment and the Releases provided for therein. The Banking Notice shall inform Class Members that they shall be identified to the Settlement Administrator and their Investment Data shall be provided to the Settlement Administrator fifteen (15) business days after the Banking Notice Date. If Defendants have not received direction from a Class Member not to provide the Settlement Administrator with the information set forth in Paragraph 8(a) above on or before fifteen (15) business days after the Banking Notice Date, with respect to each Class Member as to which such direction has not been received by Defendants on or before that date, Defendants shall provide the information set forth in Paragraph 8(a) above to the Settlement Administrator in accordance with the terms of this Order.

11. Any Class Member shall have the right to make an Investment Challenge disputing the amount(s) set forth in the Cover Letter as that investor's Investment Amount(s) and/or the identification of the Core Pools in which that Class Member invested. An Investment Challenge must be made in writing postmarked no later than twenty-two (22) business days after

the Settlement Notice Date in accordance with the terms set forth in the Settlement Notice. Any such challenge shall be processed and resolved in accordance with the provisions of Paragraph 34 of the Stipulation.

12. Any entity not identified by Defendants as a Class Member shall have the right to make a Status Challenge. A Status Challenge must be made in writing postmarked no later than twenty-two (22) business days after the Summary Notice Date in accordance with the terms set forth in the Summary Notice. Any such challenge shall be processed and resolved in accordance with the provisions of Paragraph 35 of the Stipulation. To the extent that a Status Challenge results in a finding that the challenging entity is a Class Member, that entity shall have the right to make an Investment Challenge in accordance with the terms and provisions applicable to the Class Members identified by Defendants as set forth in Paragraph 34 of the Stipulation.

13. **Exclusion From the Class** – Any member of the Class that wishes to exclude itself from the Class must submit a written Request for Exclusion within the time and in the manner set forth in the Settlement Notice, which shall provide that any such Request for Exclusion from the Class must: (a) be mailed or delivered such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing to: *Louisiana Firefighters' Retirement System, et al. v. Northern Trust Investments, N.A. et al.*, EXCLUSIONS, c/o The Garden City Group, Inc. at the address to be set forth in the Settlement Notice; (b) state the name, address and telephone number of the entity requesting exclusion, and the name, address and telephone number of the appropriate contact person for the entity; (c) state that such entity “requests exclusion from the Direct Lending Class in *Louisiana Firefighters' Retirement System, et al. v. Northern Trust Investments, N.A. et al.*, Civil Action No. 09-7203”; and (d) be signed by an authorized representative of the entity. In the event a Class Member invested in more than

one Core Pool, a Request for Exclusion shall apply to all of such Class Member's investments in all Core Pools. Additionally, if the entity requesting exclusion previously directed Defendants not to provide to the Settlement Administrator the information set forth in Paragraph 8(a) above as it relates to it, the Request for Exclusion must, in addition to complying with the provisions of the preceding sentence, state that the previous direction is rescinded, in which event Defendants, upon receipt of the Request for Exclusion by Defendants' Counsel, are directed to promptly provide the information to Co-Lead Counsel.

14. Should any entity that did not receive the Settlement Notice by direct mail or did not receive a Banking Notice, believe that it is a Class Member and wish to exclude itself from the Class, such entity, in addition to (a) stating the name, address and telephone number of the entity requesting exclusion, and the name, address and telephone number of the appropriate contact person for the entity; (b) stating that such entity "requests exclusion from the Direct Lending Class in *Louisiana Firefighters' Retirement System et al. v. Northern Trust Investments, N.A. et al*, Civil Action No. 09-7203"; and (c) having the request signed by an authorized representative of the entity, must also include with its request information and documents sufficient to prove that it is a Class Member. In the event a Class Member invested in more than one Core Pool, such request shall apply to all of such Class Member's investments in all Core Pools. Such request must be submitted to the Settlement Administrator so that it is received no later than twenty-one (21) calendar days before the Settlement Hearing.

15. A Request for Exclusion shall not be effective unless it provides all the required information and is received within the time stated above, or is otherwise accepted by the Court.

16. Any entity that timely and validly requests exclusion in compliance with the terms stated in this Order or is otherwise excluded by the Court from the Class shall not be a Class

Member; shall not be bound by the terms of the Settlement or any orders or judgments entered with respect to the claims asserted in the Action against Defendants with respect to Direct Lending by Class Members; shall not be entitled to object to the Settlement, the Plan of Allocation, or Co-Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses; and shall not be eligible to receive any payment out of the Net Settlement Fund.

17. Any Class Member that does not timely and validly request exclusion from the Class in the manner stated in this Order: (a) shall be deemed to have waived its right to be excluded from the Class; (b) shall be forever barred from requesting exclusion from the Class in this or any other proceeding; (c) shall be bound by the provisions of the Stipulation and Settlement and all proceedings, determinations, orders and judgments entered with respect to the claims asserted in the Action against Defendants with respect to Direct Lending by Class Members, including, but not limited to, the Judgment and the Releases provided for therein, whether favorable or unfavorable to the Class; and (d) will be barred from commencing, maintaining or prosecuting any of the Class Released Claims against any of the Defendants' Releasees, as more fully described in the Stipulation and Settlement Notice. The Court shall make its final determinations as to the acceptance and rejection of Requests for Exclusion prior to entry of the Judgment.

18. **Appearance and Objections at Settlement Hearing** – Any Class Member that does not request exclusion from the Class may enter an appearance in the Action, at its own expense, individually or through counsel of its own choice, by filing with the Clerk of Court and delivering a notice of appearance to both Co-Lead Counsel and Defendants' Counsel set forth in Paragraph 19 below and listed in the Settlement Notice such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing, or as the Court may otherwise

direct. Any Class Member who does not enter an appearance will be represented by Co-Lead Counsel.

19. Any member of the Class who does not request exclusion from the Class may file a written objection to the proposed Settlement, the proposed Plan of Allocation and/or the motion for an award of attorneys' fees and reimbursement of Litigation Expenses and, at the Court's discretion, appear and show cause, if it has any cause, why the proposed Settlement, the proposed Plan of Allocation and/or Co-Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses should not be approved; provided, however, that no Class Member shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, the proposed Plan of Allocation and/or the motion for attorneys' fees and reimbursement of Litigation Expenses unless that entity has filed a written objection with the Court and served copies of such objection in the manner provided in the Settlement Notice such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing on each of the following:

Co-Lead Counsel

Avi Josefson  
Bernstein Litowitz Berger & Grossmann LLP  
875 North Michigan Avenue, Suite 3100  
Chicago, IL 60611

Defendants' Counsel

David J. Bradford  
Jenner & Block LLP  
353 N. Clark Street  
Chicago, IL 60654

20. Any objections, filings and other submissions by the objecting Class Member must (a) state the name, address and telephone number of the entity objecting and must be signed by an authorized representative of the objector; (b) contain a statement of the Class Member's objection or objections, as well as the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention; and (c) if that

entity did not receive a Settlement Notice by direct mail, any objection must include documents sufficient to prove the entity's membership in the Class.

21. Any member of the Class that does not make its objection in the manner provided herein shall be deemed to have waived its right to object to the Settlement, the Plan of Allocation and the motion for attorneys' fees and reimbursement of Litigation Expenses and shall forever be barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlement, the Plan of Allocation or the requested attorneys' fees and Litigation Expenses, or from otherwise being heard concerning the Settlement, the Plan of Allocation or the requested attorneys' fees and Litigation Expenses in this or any other proceeding.

22. **Injunction** – Pending the Settlement Hearing, and continuing through the Effective Date or the termination of the Settlement, the Court enjoins Settling Plaintiffs and all other Class Members and persons and entities that would be providing releases pursuant to ¶ 4 of the Stipulation from commencing or prosecuting, either directly, indirectly, derivatively, representatively or in any other capacity, any and all of the Class Released Claims against each and all of the Defendants' Releasees.

23. **Settlement Administration Fees and Expenses** – All reasonable costs incurred by Co-Lead Counsel and/or the Settlement Administrator for mailing of the Settlement Notice Packet and publication of the Summary Notice as well as for administering the Settlement shall be paid subject to and as set forth in the Stipulation without further order of the Court.

24. **Settlement Fund** – The Court approves the selection of Valley National Bank as the Escrow Agent. The contents of the Settlement Fund held by Valley National Bank 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 they shall be distributed or returned pursuant to the Stipulation and/or further order(s) of the Court.

25. **Taxes** – Co-Lead Counsel are authorized and directed to prepare any tax returns and any other tax reporting form for or in respect of the Settlement Fund, to pay from the Settlement Fund any Taxes owed with respect to the Settlement Fund, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect thereof without further order of the Court in a manner consistent with the provisions of the Stipulation.

26. **Termination of Settlement** – If the Stipulation is terminated, the Settlement is terminated or not approved, or the Effective Date of the Settlement does not occur, in accordance with the terms of the Stipulation, this Order shall become null and void and be without prejudice to the rights of Settling Plaintiffs, the Class Members and Defendants, and the Settling Parties shall be deemed to have reverted to their respective positions in this Action as of June 30, 2016, as provided in the Stipulation.

27. **Use of this Order** – Neither this Order; nor the Settlement (whether or not approved by the Court); nor the Stipulation (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court); nor the Supplemental Agreement; nor anything written or said in relation thereto (including the materials submitted in support of the Settlement or the Plan of Allocation, the negotiations that led to the agreement in principle reached on June 30, 2016, the negotiation of the Stipulation and its exhibits, any papers submitted in support of approval of the Settlement, any proceedings taken pursuant to or in connection with the Stipulation and/or approval of the Settlement, any arguments proffered in connection therewith, and all court orders and judgments); nor any negotiations, discussions, drafts, exchange of information or documents,

or proceedings in connection with the Settlement; nor any act performed or document signed in connection with the Settlement:

(a) shall be offered against any of the Defendants' Releasees as evidence of, or construed as, or deemed or found to be evidence of any presumption, concession, or admission by any of the Defendants' Releasees with respect to the truth or validity of any fact alleged by the Settling Plaintiffs; any allegation of the pleadings (including the Second Amended Complaint); any claim that was, could have been, or may be asserted by any party; the deficiency of any defense or affirmative defense that has been, could have been, or may be asserted in this Action or in any litigation; of any liability, negligence, breach of fiduciary or other duty, breach of contract, bad faith, fault, or other wrongdoing of any kind of any of the Defendants' Releasees; or of the nature, calculability, or amount of damages that would have been recoverable in this Action or any litigation, or in any way referred to for any other reason as against any of the Defendants' Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation;

(b) shall be offered against any of the Settling Plaintiffs' Releasees, as evidence of, or construed as, or deemed or found to be evidence of any presumption, concession or admission by any of the Settling Plaintiffs' Releasees that any of the claims asserted or to be asserted in the Action are without merit, that any of the Defendants' Releasees have or had meritorious defenses (including affirmative defenses), or that damages recoverable by the Class under the Second Amended Complaint with respect to their claims relating to Direct Lending would not have exceeded the Settlement Amount, or with respect to any liability, negligence, breach of fiduciary duty, fault or wrongdoing

of any kind, or of the nature, calculability, or amount of damages that would have been recoverable in this Action or any litigation; or in any way referred to for any other reason as against any of the Settling Plaintiffs' Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation;

(c) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given under the Stipulation represents the amount that could be or would have been recovered by the Class after trial with respect to their claims relating to Direct Lending;

(d) shall be cited, used, referred to, offered, or submitted in, or otherwise have any probative value in connection with, any allegations or claims relating to STEP.

provided, however, that if the Stipulation is approved by the Court, the Settling Parties and the Releasees and their respective counsel may refer to it to effectuate the protections from liability granted thereunder or otherwise to enforce the terms of the Settlement.

28. **Supporting Papers** – Co-Lead Counsel shall file and serve their opening papers in support of the proposed Settlement, the proposed Plan of Allocation and their motion for an award of attorneys' fees and reimbursement of Litigation Expenses no later than thirty-five (35) calendar days prior to the Settlement Hearing; reply papers by Co-Lead Counsel, if any, including any responses to written objections to the proposed Settlement, the proposed Plan of Allocation and/or the motion for an award of attorneys' fees and reimbursement of Litigation Expenses, will be filed and served no later than seven (7) calendar days prior to the Settlement Hearing.

29. **Reservation of Rights** – Settling Plaintiffs and Northern Trust each reserve their respective rights and arguments regarding the composition of the class certified by this Court’s December 21, 2015 Order.

30. The Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

SO ORDERED:

9/9/16

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by 'L. Alonso'.

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Jorge L. Alonso, United States District Judge

# **EXHIBIT 1**

**Exhibit 1**

[Northern Trust Letterhead]

Dear [Insert Name of Authorized Representative of **CLIENT A**]

We are writing to advise you that Northern Trust has, based on its records, identified **CLIENT A** as an entity that may be eligible to receive, without further action on its part, a share of the proceeds of a proposed cash Settlement of \$4,250,000 in a pending class action, *Louisiana Firefighters' Retirement System, et al. v. Northern Trust Investments, N.A., et al.*, Civil Action No. 09-7203 (“Action”), pending in the United States District Court for the Northern District of Illinois (the “Court”).<sup>1</sup> If the Settlement is approved by the Court, it will resolve all remaining claims asserted against Northern Trust in the Action and bring the case to an end.<sup>2</sup>

**CLIENT A** has been identified by Northern Trust as having directly invested or maintained investments or assets in one or more of the “Core Pools” during the period beginning September 14, 2008 through and including December 31, 2010 (the “Class Period”), and as a member of the Class in the Action.<sup>3</sup> However, in order for **CLIENT A** (i) to be sent notice and information about the Settlement, which includes information about its legal rights and how it will be affected by the Settlement; and (ii) to be eligible to receive a monetary distribution from the Settlement proceeds if the Settlement is approved by the Court, the Settlement Administrator (and, as appropriate, Co-Lead Counsel) must be provided with certain limited information about **CLIENT A**. Specifically, they need to know: (i) the identity of **CLIENT A** as a Northern Trust client that directly invested or maintained investments or assets in one or more of the Core Pools during the Class Period; (ii) **CLIENT A**'s address, telephone number, and email address; (iii) the identity of the Core Pool(s) in which **CLIENT A** invested during the Class Period and the dollar value of such investments on certain dates during that period; and (iv) such additional information that may be relevant to resolving questions, if any, as to the proper monetary distribution to which **CLIENT A** may be entitled pursuant to the Settlement (hereafter, “Investment Data”). The Investment Data will **not** include information concerning **CLIENT A**'s other investments, or information otherwise unrelated to the Settlement.

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<sup>1</sup> The definitions of capitalized terms used in this letter that are not defined herein, are set forth in the Stipulation and Agreement of Settlement of Class Action dated July 25, 2016 (the “Stipulation”) that has been presented to the Court and which can be viewed or downloaded from the website maintained by the Settlement Administrator, [www.NorthernTrustClassAction.com](http://www.NorthernTrustClassAction.com). The Stipulation provides the controlling terms of the Settlement.

<sup>2</sup> Specifically, the proposed Settlement resolves all “Direct Lending” claims asserted against Northern Trust in the Action. An initial, partial settlement of the Action that resolved all “Indirect Lending” claims asserted against Northern Trust was previously approved by the Court.

<sup>3</sup> The “Core Pools” are the following commingled investment pools through which Class Members participated directly in Northern Trust's securities lending program: Core Collateral Section, Core USA Collateral Section, Global Core Collateral Section, and European Core Collateral Section, also referred to as Core, Core USA, Global Core, and European Core, respectively, along with any associated term loans or non cash collateral.

The Court has approved Northern Trust's proposed procedures for providing the Investment Data for the purposes discussed in the preceding paragraph. *See* paragraphs 8 and 9 of the enclosed Preliminary Approval Order entered by the Court.

Northern Trust is providing this communication to you in consideration of your confidentiality interest in the Investment Data. The Illinois Banking Act (hereafter, the "Banking Act"), 205 ILCS 5/48.1, protects the confidentiality of "financial records" (as defined in the Banking Act) and allows certain disclosure of such financial records when the bank's customer has been provided with notice of such disclosure. To the extent the Investment Data may contain confidential "financial records" under the Banking Act, this communication provides **you** with notice, pursuant to Section 48.1(c) of the Banking Act, that, on [insert date that is 15 business days after the Banking Notice Date], Northern Trust will disclose **CLIENT A's** Investment Data as described above and as required by paragraph 8 of the enclosed Preliminary Approval Order.

As noted above, disclosure of **CLIENT A's** Investment Data will be made to the Settlement Administrator and, potentially, to Co-Lead Counsel, solely for purposes of enabling them to provide **CLIENT A** with information about its rights and, if the Settlement is approved by the Court, to afford **CLIENT A** the opportunity to be eligible to receive a distribution from the Settlement proceeds and, if eligible, to calculate **Client A's** *pro rata* share of the Settlement proceeds. Once that disclosure is made, the Settlement Administrator and/or Co-Lead Counsel will communicate directly with you. A full notice describing the Action, the proposed Settlement, Plan of Allocation for the proceeds of the Net Settlement Fund, and Class Members' rights with respect thereto (the "Settlement Notice") will be mailed to **CLIENT A** by the Settlement Administrator on or about [insert date that is forty (40) business days after the entry of the Preliminary Approval Order] and will then also become available for review on the website referred to in footnote 1 above.<sup>4</sup>

Please be assured that the Settlement Administrator and Co-Lead Counsel are required to use the Investment Data solely for the purpose of providing notice of the Settlement to each Identified Class Member, calculating each Identified Class Member's *pro rata* share of the Net Settlement Fund, responding to Class Members' inquiries, dealing with Investment Challenges (including submission of disputed challenges to the Court), confirming membership in the Class, and as otherwise deemed necessary for the purpose of the administration of the Settlement, and such information shall otherwise remain confidential unless further disclosure consistent with applicable law is allowed.

If you have any questions about how the Investment Data will be used, please do not hesitate to call Avi Josefson of Bernstein Litowitz Berger & Grossmann LLP, counsel for the Settling Plaintiffs and the Class, at (312) 373-3880.

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<sup>4</sup> If you are not the individual to whom these communications should be addressed, please provide us with the correct contact information as soon as possible at the address noted above.

## **EXHIBIT 2**

**Exhibit 2**

*Louisiana Firefighters’ Retirement System et al. v. Northern Trust Investments, N.A. et al.*,  
Civil Action No. 09-7203  
c/o GCG  
P.O. Box 9349  
Dublin, OH 43017-4249  
(800) 231-1815

**PLEASE READ THIS LETTER AND THE ACCOMPANYING COURT-AUTHORIZED  
SETTLEMENT NOTICE CAREFULLY.  
THIS IS NOT A SOLICITATION.**

**ID Number:** \_\_\_\_\_

Class Member: [Insert Name and Address of Class Member]

Re: *Proposed Settlement of Remaining Claims in Above-Noted Class Action*

Dear [Insert Name of Authorized Representative of Class Member]:

You are receiving this letter and the enclosed Settlement Notice because, as Northern Trust previously advised you, Northern Trust has, based on its records, identified [Insert Name of Class Member] as a member of the “Direct Lending” Class in the above-noted class action lawsuit (the “Action”). This means that [Insert Name of Class Member] may be entitled to a share of the net proceeds of the proposed Settlement of the Direct Lending claims in the Action for \$4,250,000 in cash, if the Settlement is approved by the Court.<sup>5</sup> PLEASE READ THE ENTIRE ENCLOSED SETTLEMENT NOTICE PROMPTLY AND CAREFULLY, AS IT AFFECTS [(insert name of Class Member)’s] RIGHTS, CONTAINS IMPORTANT DEADLINES WITH RESPECT TO THE PROPOSED SETTLEMENT, AND DEFINES CERTAIN CAPITALIZED TERMS CONTAINED HEREIN.

As a Class Member, [Insert Name of Class Member] does not need to file a claim form or take any other action in order to be eligible to receive a distribution from the Settlement proceeds. Pursuant to procedures approved by the Court in this case, and as you were previously advised by Northern Trust would be done, Northern Trust has provided us with certain limited information concerning [insert name of Class Member]’s investments that will be the basis upon which the Settlement Administrator will calculate its *pro rata* share of the Settlement proceeds.

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<sup>5</sup> As explained in the enclosed Settlement Notice, an initial, partial settlement of this Action that resolved all “Indirect Lending” claims asserted against the Defendants in the Action was previously approved by the Court. If this proposed Settlement of the Direct Lending claims is approved by the Court, it will resolve all remaining claims asserted in the Action and bring the case to an end.

This information will be used only in connection with this Settlement. The investment information provided to us is set forth in the following table:

Core Pool(s) in which [Insert Name of Class Member] was invested on the Relevant Dates	Relevant Dates	Investment Value (\$)

If you believe that any of the information in the table above is incorrect or that the information is incomplete, you have the right to challenge the information by making an “Investment Challenge.” The instructions and the deadline for making such a challenge are set forth in paragraph 28 of the enclosed Settlement Notice. All challenges will be reviewed and the challenger will be advised of the conclusion reached. If the conclusion is disputed, the challenger will have the right to request a Court review of the determination.

If, after reviewing this letter and the Settlement Notice, you have any questions regarding the proposed Settlement, please contact Co-Lead Counsel at the telephone number set forth in paragraph 47 of the Settlement Notice. Do not contact Northern Trust or the Court.

**Please Note:** All communications from you must always contain the “ID Number” assigned to [Insert Name of Class Member] that appears at the top of this letter.

Very truly yours,

GCG, Settlement Administrator

# **EXHIBIT 3**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS

LOUISIANA FIREFIGHTERS’ RETIREMENT SYSTEM, THE BOARD OF TRUSTEES OF THE PUBLIC SCHOOL TEACHERS’ PENSION AND RETIREMENT FUND OF CHICAGO, THE BOARD OF TRUSTEES OF THE CITY OF PONTIAC POLICE & FIRE RETIREMENT SYSTEM, and THE BOARD OF TRUSTEES OF THE CITY OF PONTIAC GENERAL EMPLOYEES RETIREMENT SYSTEM, on behalf of themselves and all others similarly situated,

Plaintiffs,

v.

NORTHERN TRUST INVESTMENTS, N.A., and THE NORTHERN TRUST COMPANY,

Defendants.

Case No. 09-7203

Hon. Jorge L. Alonso

**NOTICE OF (I) CERTIFICATION OF CLASS AND PROPOSED SETTLEMENT OF CLASS ACTION; (II) SETTLEMENT HEARING; AND (III) MOTION FOR AN AWARD OF ATTORNEYS’ FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

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

**NOTICE OF CERTIFICATION OF CLASS AND OF SETTLEMENT OF CLASS ACTION:** This notice is to inform you that plaintiffs The Board of Trustees of the City of Pontiac Police & Fire Retirement System (the “Pontiac Police & Fire Board”) and The Board of Trustees of the City of Pontiac General Employees Retirement System (the “Pontiac General Board”) (collectively, the “Settling Plaintiffs”) have reached a proposed settlement of the remaining claims asserted in the above-captioned class action (the Action”), which provides for the payment by Defendants of a total of \$4,250,000 in cash. This Settlement Notice is being sent to you because you have been identified by defendants Northern Trust Investments, Inc. (“NTI”) and The Northern Trust Company (“NTC”) (collectively to be referred to as “Northern Trust” or “Defendants”) as a member of the Class (as defined in ¶ 10 below). As such, your rights will be affected by the proposed Settlement.<sup>1</sup>

In the Action, Plaintiffs alleged, among other things, that Northern Trust imprudently invested collateral received to secure the loan of securities in connection with Northern Trust’s securities lending program.

<sup>1</sup> Any capitalized terms used in this notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement of Class Action dated July 25, 2016 (the “Stipulation”), which is the controlling document with respect to the terms of the Settlement and is available at [www.NorthernTrustClassAction.com](http://www.NorthernTrustClassAction.com). The Stipulation provides the controlling terms of the Settlement.

Northern Trust disputes Plaintiffs' allegations of imprudence. Northern Trust also disputes Plaintiffs' claims for damages because of, among other things, \$150 million in support payments made by Northern Trust to investors in the Core Pools.

On August 5, 2015, the Court entered a final judgment approving the initial settlement reached in this Action between Northern Trust and plaintiffs Louisiana Firefighters' Retirement System ("Louisiana Firefighters"), The Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago (the "Chicago Teachers Board"), and the Pontiac Police & Fire Board, which resolved all Indirect Lending<sup>2</sup> claims asserted against Northern Trust in the Action.<sup>3</sup> The Settling Plaintiffs and Northern Trust have now reached an agreement to resolve all remaining claims asserted in the Action, *i.e.*, the Direct Lending<sup>4</sup> claims brought on behalf of the Class. If the Settlement is approved by the Court and becomes effective, it will resolve all Direct Lending claims and bring the Action to an end.

The Court has preliminarily approved the Settlement and has scheduled a hearing (the "Settlement Hearing") to be held on \_\_\_\_\_, 2016 at \_\_:\_\_\_\_.m before The Honorable Jorge L. Alonso, at the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Courtroom 1219, Chicago, IL 60604. The purpose of the Settlement Hearing is to determine: (a) whether the proposed Settlement is fair, reasonable and adequate, and should be approved by the Court; (b) whether the Direct Lending claims should be dismissed with prejudice and the Class Released Claims (defined in ¶ 20, fn. 7 below) against Defendants and the other Defendants' Releasees (defined in ¶ 20, fn. 8 below) should be settled and released as set forth in the Stipulation; (c) whether the proposed Plan of Allocation is fair and reasonable, and should be approved by the Court; (d) whether Co-Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved by the Court; and (e) any other relief the Court deems necessary to effectuate the terms of the Settlement. The Settlement and Co-Lead Counsel's application for attorneys' fees and reimbursement of expenses are discussed below at ¶¶ 12-22 and 30, respectively.<sup>5</sup> The proposed Plan of Allocation is set forth in Appendix 1 to this notice.

**The following table provides a brief summary of the rights you have as a Class Member and the relevant deadlines, which are described in more detail later in this notice. This notice also explains how you will be**

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<sup>2</sup> "Indirect Lending" means participation in or exposure to Northern Trust's securities lending program through the purchase and/or holding of units or interests in Northern Trust's "Commingled Lending Funds," which engaged in securities lending.

<sup>3</sup> The distribution of the net settlement proceeds from the Indirect Lending settlement occurred on or about May 17, 2016.

<sup>4</sup> "Direct Lending" means any investor's participation in Northern Trust's securities lending program pursuant to an agreement to lend that investor's own securities, pursuant to which that investor's collateral from securities lending was invested in any Northern Trust collateral reinvestment vehicle. The universe of the collateral reinvestment vehicles that are included in the Settlement are: Core Collateral Section, Core USA Collateral Section, Global Core Collateral Section, and European Core Collateral Section, also referred to as Core, Core USA, Global Core, and European Core, respectively, along with any associated term loans or non cash collateral (collectively, the "Core Pools"). Please note: Investment in a Commingled Lending Fund is not and does not constitute "Direct Lending" and, for purposes of the Settlement, securities lending and collateral reinvestment by a Commingled Lending Fund does not constitute Direct Lending.

<sup>5</sup> Co-Lead Counsel, who have been appointed by the Court to represent the Class, are: Bernstein Litowitz Berger & Grossmann LLP, c/o Avi Josefson, 875 North Michigan Avenue, Suite 3100, Chicago, IL 60611, (312) 373-3880, blbg@blbgllaw.com; and Sullivan, Ward, Asher & Patton, P.C., c/o Michael J. Asher, 1000 Maccabees Center, 25800 Northwestern Highway, Southfield, MI 48075, (248) 746-0700.

affected by the Settlement, whether or not you act. **PLEASE READ THE NOTICE CAREFULLY AND IN ITS ENTIRETY.**

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>	
<b>SINCE YOU HAVE RECEIVED THIS NOTICE BY DIRECT MAIL, NO ACTION IS NECESSARY IN ORDER FOR YOU TO BE ELIGIBLE TO RECEIVE A PAYMENT.</b>	Since you have been identified as a member of the Class, under the terms of the proposed Settlement, you do not need to submit a claim form or take any other action in order to be eligible to receive a payment from the proceeds of the Settlement, if it is approved by the Court. As set forth in ¶¶ 26-28 below, Defendants have provided the Settlement Administrator with the investment information that is needed to calculate your <i>pro rata</i> share of the Net Settlement Fund.
<b>YOU MAY EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN _____, 2016.</b>	You have the right to exclude yourself from the Class. If you do so, you will not be eligible to receive any payment from the Settlement Fund and you will not be bound by the terms of the Settlement. This is the only option that allows you to file or participate in any other lawsuit against Defendants or the other Defendants' Releasees (defined in ¶ 20, fn. 7 below) concerning the Class Released Claims (defined in ¶ 20, fn. 8 below).
<b>YOU MAY OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN _____, 2016.</b>	You have the right, if you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, to write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the fee and expense request if you exclude yourself from the Class.
<b>YOU MAY GO TO A HEARING ON _____, 2016 AT __: __.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN _____, 2016.</b>	Filing a written objection and notice of intention to appear that is received by _____, 2016 allows you to speak in Court, at the discretion of the Court, about your objection. You may, but you do not have to, attend the hearing. The Court will consider the objection whether or not you attend.

**QUESTIONS ANSWERED BY THIS NOTICE**

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WHY DID I GET THIS NOTICE?
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1. The Court has directed that this notice be mailed to you because Defendants have, based on their records, identified you as a member of the Class. As a member of the Class, you have a right to know how the proposed Settlement will affect your legal rights and what your options are before the Court rules on it. If the Court approves the Settlement and any objections and appeals are favorably resolved, the Net Settlement Fund will be allocated among Class Members according to the Court-approved plan of allocation and the Class Members will release the Class Released Claims (defined in ¶ 20, fn. 7 below) as against the Defendants' Releasees (defined in ¶ 20, fn. 8 below).

2. A class action is a type of lawsuit in which the claims of many individuals or entities are resolved together, thereby allowing for the consistent resolution of the claims of all similarly situated persons and entities, i.e., the "class" or "class members," in a single proceeding. In a class action, one or more persons or entities, called "named" and/or "lead" plaintiffs, sue on behalf of the class. Once the class is certified by the court as appropriate for class treatment, the court must resolve all issues covered by the certification on behalf of the class members, except for any persons or entities who choose to exclude themselves from the class. (For more information on excluding yourself from the Class, please read "What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself?," on page \_\_ below.)

3. In this Action, the Pontiac Police & Fire Board and the Pontiac General Board are the named Plaintiffs that have sued on behalf of the Class, and they are represented in the Action by Co-Lead Counsel. Co-Lead Counsel have been appointed Class Counsel to represent the Class.

4. This notice explains the lawsuit, the Settlement, your legal rights, what benefits are available to you, and how you may get them. The purpose of this notice is to inform you of the fact that the Court has certified the Class with respect to claims against Defendants concerning Direct Lending by Class Members. The purpose of this notice is also to inform you of the Settlement Hearing to be held by the Court to consider the fairness, reasonableness and adequacy of the proposed Settlement, the fairness and reasonableness of the proposed Plan of Allocation, and Co-Lead Counsel's application for an award of attorneys' fees and reimbursement of Litigation Expenses.

5. The issuance of this notice is not an expression of any opinion by the Court concerning the merits of the claims asserted in the Action with respect to Direct Lending or any other claim asserted in the Action, and the Court still has to decide whether to grant final approval of the Settlement. If the Court approves the Settlement and a plan of allocation, and any appeals that may be taken are resolved upholding approval of the Settlement,

then payments to Authorized Payees will be made. Please be patient, as this process can take some time to complete.

WHAT IS THIS CASE ABOUT?

6. In this Action, Plaintiffs allege, among other things, that Defendants improperly invested collateral received to secure the loan of securities from the portfolios of clients that participated directly in Northern Trust’s securities lending program through a group of investment pools called the “Core Pools.” The “Core Pools” are the Core Collateral Section, Core USA Collateral Section, Global Core Collateral Section, and European Core Collateral Section, also referred to as Core, Core USA, Global Core, and European Core, respectively, along with any associated term loans or non cash collateral. Plaintiffs alleged that Defendants’ conduct gave rise to claims for breach of fiduciary duty, breach of contract, and breach of duty of good faith and fair dealing. Defendants deny any wrongdoing; assert that at all times, they acted reasonably and prudently and in accordance with applicable law; have asserted numerous defenses and affirmative defenses to the claims being settled, including Defendants’ provision of \$150 million in support payments to investors in the Core Pools; and state that they are entering into this Settlement to avoid the cost, disruption, and uncertainty of continued litigation.

7. The initial complaint was filed on November 17, 2009 by plaintiff Louisiana Firefighters. On July 16, 2010, plaintiffs Louisiana Firefighters, Chicago Teachers, the Pontiac Police & Fire Board, and the Pontiac General Board (collectively, “Plaintiffs”) filed an Amended Class Action Complaint. On June 30, 2011, Defendants filed an answer to the Amended Complaint and on July 14, 2011, Defendants filed an amended answer and affirmative defenses to the Amended Complaint; a counterclaim; and a third-party complaint. Plaintiffs filed a Second Amended Class Action Complaint on March 29, 2012. On June 5, 2012, Defendants answered the Second Amended Complaint, denying the material allegations therein and denying any liability or wrongdoing.

8. The parties have been litigating the Direct Lending claims for over six years, during which time Plaintiffs have received extensive documentation regarding the asserted claims from Defendants. Further details explaining the history of the litigation and reasons for agreeing to the proposed Settlement will be set forth in the papers that Settling Plaintiffs will file with the Court on \_\_\_\_\_, 2016 in support of their motion for final approval of the Settlement. Those papers will be posted on the website maintained by the Settlement Administrator, [www.NorthernTrustClassAction.com](http://www.NorthernTrustClassAction.com).

9. On \_\_\_\_\_, 2016, the Court preliminarily approved the Settlement, authorized this notice to be mailed to the Class Members as identified by Defendants, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

WHO IS INCLUDED IN THE CLASS?

10. The Class consists of:

all entities that are not governed by ERISA (notwithstanding any incorporation of an ERISA standard of care or other ERISA standards into any such entity’s applicable contracts with Northern Trust) and that directly invested or maintained investments or assets during the Class Period (i.e., the period beginning September 14, 2008 through and including December 31, 2010)

in any of the Core Pools.

Excluded from the Class are: (i) Defendants and their successors, their respective officers and directors (former, current and future), members of the Immediate Families of the respective officers and directors (former, current and future), and the legal representatives, heirs, successors or assigns of any such excluded person, and any entity in which any Defendant has or had a controlling interest; and (ii) any Commingled Lending Fund. Also excluded from the Class are any entities that exclude themselves by submitting a Request for Exclusion in accordance with the requirements set forth in this notice. See “What if I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself,” on page [ ] below.

11. As noted above, this notice has been mailed to you because Defendants have identified you as a Class Member, which means that, if the Settlement is approved and becomes effective, you will be eligible to receive a portion of the Settlement proceeds without any further action on your part.

<b>WHAT ARE SETTLING PLAINTIFFS’ REASONS FOR THE SETTLEMENT?</b>
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12. Settling Plaintiffs agreed to the Settlement mainly because it provides an immediate and substantial recovery for the benefit of the Class – \$4.25 million in cash – paid into a Settlement Fund. If the Settlement is approved, the Settlement Fund, less certain costs, fees and expenses as set forth in ¶ 24 below, will be allocated among Class Members in accordance with the Plan of Allocation appended to this notice or such other plan of allocation as may be approved by the Court. As with any litigation, absent settlement, Settling Plaintiffs would face an uncertain outcome if the Direct Lending claims proceeded to a litigated resolution, including the risk of not prevailing at trial or on appeal. On the one hand, pursuing these claims could result in a verdict that would provide a greater recovery than the Settlement. On the other hand, continuing to prosecute these claims against Defendants could result in a recovery of less money than Settling Plaintiffs have obtained in the Settlement – or no recovery at all. The benefit of the Settlement must be compared to the risk that no recovery or a lesser recovery might be achieved with respect to the asserted claims regarding Direct Lending after dispositive motions, a contested trial and likely appeals, possibly years into the future.

13. Settling Plaintiffs and Co-Lead Counsel believe that the claims asserted against Defendants in the Action on behalf of Direct Lenders have merit. They also recognize, however, that such claims and the numerous defenses Defendants have asserted in response to such claims involve complex legal and factual issues that may be difficult to prove at trial. Furthermore, even if liability is established, the parties disagree about the calculation of the damages resulting from Defendants’ alleged misconduct; indeed, they disagree as to whether there were any damages at all resulting from Defendants’ alleged misconduct. For example, Defendants contend that Northern Trust made support payments and other concessions to the Class that completely offset any losses the Class had incurred, including a cash contribution of \$150 million to investors in the securities lending pools in which the Class invested (i.e., the Core Pools), and provided additional compensation to the Class by reducing the fees charged to investors in the Core Pools by 20 percent over a 12-month period. This issue would have been vigorously disputed in pre-trial motions, at any trial, and through any likely post-verdict appeal. The Settlement enables the Class to recover on the claims relating to Direct Lending without any additional risk or costs.

14. In light of the risks associated with a trial of the Direct Lending claims, the monetary amount of the Settlement, and the immediacy of this recovery to the Class, Settling Plaintiffs and Co-Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class.

15. Defendants have expressly denied and continue to deny all assertions 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 with respect to Direct Lending. Defendants also continue to believe that the claims asserted against them in the Action with respect to Direct Lending are without merit. Defendants have agreed to enter into the Settlement, as embodied in the Stipulation, solely to avoid the uncertainty, burden and expense of protracted litigation of the claims asserted on behalf of the Class with respect to Direct Lending.

HOW ARE CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

16. As a Class Member, you are represented by Settling Plaintiffs and Co-Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” below.

17. If you do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section entitled, “What If I Do Not Want To Be A Member Of The Class? How Do I Exclude Myself?,” below.

18. If you wish to object to the Settlement, the Plan of Allocation, or Co-Lead Counsel’s application for attorneys’ fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Class, you may present your objections by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” below.

19. By remaining in the Class, you agree that all proceeding with respect to the Settlement administration, processing of Challenges, and determinations made with respect thereto, including any challenges or controversies relating thereto, as well as any disputed questions of law and fact with respect thereto, shall be subject to the jurisdiction of the Court. By remaining in the Class, you expressly waive trial by jury (to the extent any such right may exist) and any right of appeal or review with respect to such determinations.

20. If you remain in the Class, you will be bound by any orders issued by the Court concerning the Settlement. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will provide that, upon the Effective Date of the Settlement, Settling Plaintiffs and the Class Members, on their own behalf and on behalf of various others<sup>6</sup>, shall have fully, finally and forever settled, released, and dismissed with prejudice any and all Class Released Claims<sup>7</sup> as against the Defendants and the other Defendants’

<sup>6</sup> Specifically, on behalf of all persons or entities on whose behalf each of the Settling Plaintiffs and each of the other members of the Class has standing to assert, individually or collectively, in full or in part, any Class Released Claims (as defined in footnote 7 below); and on behalf of each of all of the foregoing’s respective past, present, or future fiduciaries, beneficiaries, members, participants, officers, directors, boards of trustees and trustees, boards and board members, insurers, reinsurers, heirs, executors, administrators, predecessors, successors, agents, and assigns, in their capacities as such; and on behalf of any other person or entity with standing to assert, in full or in part, any Class Released Claim on behalf of any Settling Plaintiff or Class Member, in their capacities as such.

<sup>7</sup> “Class Released Claims” means, to the fullest extent allowed by law, any and all claims, damages, losses, suits, proceedings, debts, demands, duties, liabilities, rights, remedies, or causes of action of every nature and description whatsoever, whether known claims or Unknown Claims; whether based on federal, state, local, or foreign law; whether based on statutory law, common law, administrative law, rule, regulation, or other source of law; whether fixed or

Releasees<sup>8</sup> and shall forever be enjoined from asserting or prosecuting any Class Released Claims as against each and all of the Defendants' Releasees.

21. Class Released Claims do not release or otherwise impact claims relating to the enforcement of the Settlement, any Non-Settled Claim, or any claims against Defendants' Releasees that do not fall within the definition of Class Released Claims. The Release also does not impact the right (if any) of any Class Members and all other persons and entities that are releasing the Class Released Claims to participate in the distribution of any funds recovered from any Defendant or any other Defendants' Releasee by any federal governmental or federal regulatory agency.

22. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf themselves and certain others, will release, among other things, all claims against each of the Settling Plaintiffs, the other members of the Class, and the other Settling Plaintiffs' Releasees,<sup>9</sup> arising out of the institution, prosecution, or settlement of the Direct Lending claims asserted in the Action against Defendants.

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contingent; whether foreseen or unforeseen; whether matured or unmatured; whether accrued or unaccrued; whether liquidated or unliquidated; whether at law or in equity; whether class or individual in nature; whether subject to mandatory or permissive arbitration or alternative dispute resolution procedures; and whether direct, indirect, or derivative in nature, against each and every Defendants' Releasee, that arise out of or are based upon Class Members' Direct Lending from September 14, 2008 through and including December 31, 2010 that (i) have been asserted in the Action or the Initial Complaints; or (ii) that could have been asserted in any forum that arise out of, relate to, or are based upon the claims and allegations in the Action that relate to Class Members' Direct Lending from September 14, 2008 through and including December 31, 2010, including but not limited to the acts, omissions, misrepresentations, facts, events, matters, transactions, or occurrences alleged that relate to Class Members' Direct Lending from September 14, 2008 through and including December 31, 2010, through Northern Trust's direct securities lending program, including the investment of securities lending collateral; the holding of such investments; principal, interest, income, and revenue losses from Direct Lending; fees, costs, and other charges associated with Direct Lending; any and all agreements governing Class Members' Direct Lending but only to the extent they relate to Direct Lending. Class Released Claims do not include, release, bar, waive, impair, prejudice, enjoin, or otherwise impact claims relating to the enforcement of the Settlement, any Non-Settled Claim, or any claims against Defendants' Releasees that do not fall within the definition of Class Released Claims, nor is the right (if any) of any Settling Plaintiffs, Class Members and all other persons and entities who or which are releasing the Class Released Claims to participate in the distribution of any funds recovered from any Defendant or any other Defendants' Releasee by any federal governmental or federal regulatory agency, including as a result of any judgment obtained in litigation brought by any federal governmental or federal regulatory agency, in any way compromised, limited or impaired by the release of the Class Released Claims.

<sup>8</sup> "Defendants' Releasees" means (i) NTI (including Northern Trust Investments, N.A.) and NTC, and each of their respective present, former, and future affiliates, subsidiaries, and parents; (ii) for each of the foregoing entities, any entities in which each or they have a controlling interest, their respective present, former, and future employees, officers, boards, directors, trustees, accountants, auditors, insurers, reinsurers, agents, fiduciaries, and attorneys, in their capacities as such; and (iii) for each of the foregoing persons and entities in (i) and (ii), their respective predecessors, successors, estates, heirs, executors, trusts, trustees, administrators, family members, agents, representatives, and assigns, in their capacities as such.

<sup>9</sup> "Settling Plaintiffs' Releasees" means (i) the Settling Plaintiffs (in their representative capacities with respect to the Boards of each Settling Plaintiff), and any and all other members of the Class, and each of their respective present, former, and future affiliates, subsidiaries, and parents, (ii) for each of the foregoing persons and entities, any entities in which each or they have a controlling interest, their respective present, former, and future employees, officers, boards, directors, trustees, accountants, auditors, insurers, reinsurers, agents, fiduciaries and attorneys, in their capacities as such;

HOW MUCH WILL MY PAYMENT BE?

23. As of the date of this notice, it is not possible to determine how much money any individual Class Member might receive from the Settlement if approved. Payments to Class Members will be based on a plan of allocation approved by the Court. Settling Plaintiffs have proposed a plan of allocation, which is set forth in Appendix 1 to this notice.

24. Pursuant to the Settlement, Defendants have agreed to pay Four Million Two Hundred and Fifty Thousand Dollars (\$4,250,000) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned is referred to as the "Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the "Net Settlement Fund" (the Settlement Fund less (a) applicable taxes and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund; (b) the costs and expenses incurred in connection with providing notice to Class Members and administering the Settlement on behalf of Class Members; and (c) attorneys' fees and Litigation Expenses awarded by the Court to Co-Lead Counsel), will be distributed to Class Members, in accordance with the Plan of Allocation or such other plan of allocation as may be approved by the Court.

25. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the Effective Date has occurred. Class Members are not required to submit a claim form in order to receive a distribution from the Net Settlement Fund.

HOW WILL I RECEIVE PAYMENT FROM THE SETTLEMENT?

26. As previously noted, as a recipient of this notice by direct mail, you have been identified as a Class Member that might receive a payment from the Settlement proceeds. To be eligible for a payment from the proceeds of the Settlement, you need do nothing more. Your "Investment Amount" (the amount invested in a given Core Pool on each of the Relevant Dates<sup>10</sup>) has been determined by Defendants based on their records, as set forth in the chart included in the Cover Letter accompanying this notice.

27. If the Settlement is approved and the Effective Date occurs, pro rata distributions of the Net Settlement Fund will be mailed to all eligible Class Members. If your address or the contact person noted on the Cover Letter changes, please be sure to send the new information in writing to the Settlement Administrator at Louisiana Firefighters' Retirement System, et al. v. Northern Trust Investments, N.A. et al., c/o GCG, P.O. Box 9349, Dublin, OH 43017-4249.

28. As set forth in the Cover Letter, if you believe that any of the investment information set forth in the Cover Letter is incorrect or incomplete, you have the right to challenge the information. In order for your challenge to be valid, you must notify the Settlement Administrator in writing at the address set forth in ¶ 27 above, postmarked no later than \_\_\_\_\_, 2016, that you challenge the investment information in the Cover Letter that you received. Your notification must set forth the specific items that you are challenging

and (iii) for each of the foregoing persons and entities in (i) and (ii), their respective predecessors, successors, estates, heirs, executors, trusts, trustees, administrators, family members, agents, representatives and assigns, in their capacities as such.

<sup>10</sup> The Relevant Dates are September 19, 2008 and April 19, 2010.

and must include a detailed statement of the basis for the challenge as well as documentation in support of your challenge. Your challenge will be reviewed by Co-Lead Counsel and you will be notified by the Settlement Administrator of their determination. If an Investment Challenge results in a change to any of the investment information provided for you, your Distribution Amount (as defined in the Plan of Allocation) will be calculated based on the revised information. If you disagree with the determination made with respect to your challenge, you have the right to request a Court review. The specifics as to how such a request for Court review must be made will be set forth in the notification from the Settlement Administrator that contains the determination made with respect to the challenge.

29. Although Defendants have provided records representing what they believe to be the universe of Class Members, the Settling Parties recognize some entity may have been omitted as a Class Member. To address this possibility, the Settlement provides for a Status Challenge. The requirements for making such a challenge are set forth in the Summary Notice, which is being published and which will also be posted on the website maintained by the Settlement Administrator, [www.NorthernTrustClassAction.com](http://www.NorthernTrustClassAction.com). Because you received this notice by direct mail addressed to you, you have been identified by Defendants as a Class Member and you do not need to take steps to ensure you are included in the Class. However, to the extent that an entity that did not receive this notice by direct mail can establish that it is a Class Member, such entity shall be eligible to receive a proportionate share of the Settlement proceeds, and such entity shall be subject to the terms of the Settlement, including the releases provided for, as set forth in ¶ 20 above.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING?  
HOW WILL THE LAWYERS BE PAID?**

30. Co-Lead Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Class, nor have Co-Lead Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Co-Lead Counsel will apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 18% of the Settlement Fund. At the same time, Co-Lead Counsel also intend to apply for reimbursement of Litigation Expenses paid or incurred in connection with the Action in an amount not to exceed \$400,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by the Settling Plaintiffs directly related to their representation of the Class. Co-Lead Counsel will file their application on \_\_\_\_\_, 2016 and the papers will be posted on the website maintained by the Settlement Administrator, [www.NorthernTrustClassAction.com](http://www.NorthernTrustClassAction.com). The Court will decide the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE CLASS?  
HOW DO I EXCLUDE MYSELF?**

31. Each Class Member will be bound by the provisions of the Settlement and by all determinations and judgments in this lawsuit with respect to the Direct Lending claims, whether favorable or unfavorable, unless such entity mails or delivers a written Request for Exclusion from the Class, addressed to Louisiana Firefighters' Retirement System, et al. v. Northern Trust Investments, N.A. et al., EXCLUSIONS, c/o GCG, P.O. Box 9349, Dublin, OH 43017-4249. The Request for Exclusion must be received no later than \_\_\_\_\_, 2016. A Class Member will not be able to exclude itself from the Class after that date. Each Request for Exclusion from a Class Member that received this notice by direct mail addressed to it must (a)

state the name, address and telephone number of the entity requesting exclusion, and the name, address and telephone number of the appropriate contact person for the entity; (b) state that such entity “requests exclusion from the Direct Lending Class in Louisiana Firefighters’ Retirement System et al. v. Northern Trust Investments, N.A. et al, Civil Action No. 09-7203”; and (c) be signed by an authorized representative of the entity. If an entity that previously directed Defendants not to provide the Settlement Administrator identifying and investment information as it relates to it, wants to request exclusion from the Class, the Request for Exclusion must, in addition to complying with the provisions of the preceding sentence, state that the previous direction is rescinded, in which event Defendants, pursuant to Court Order, will promptly provide the information to the Settlement Administrator and Co-Lead Counsel. PLEASE NOTE: It is possible that a Class Member with multiple Northern Trust accounts may receive more than one copy of this notice. However, regardless of how many copies of the notice a Class Member receives, it should only submit one Request for Exclusion. Each legal entity that falls within the definition of the Class is a Class Member and a Request for Exclusion applies to the legal entity making the request. If a Class Member has invested directly in Core Pools through multiple Northern Trust accounts, its Request for Exclusion will apply to all of that Class Member’s Northern Trust accounts and investments and assets in all of the Core Pools.

32. Should any entity that did not receive this notice by direct mail or did not receive a Banking Notice, believe that it is a Class Member and wish to exclude itself from the Class, such entity, in addition to (a) stating the name, address and telephone number of the entity requesting exclusion, and the name, address and telephone number of the appropriate contact person for the entity; (b) stating that such entity “requests exclusion from the Direct Lending Class in Louisiana Firefighters’ Retirement System et al. v. Northern Trust Investments, N.A. et al, Civil Action No. 09-7203”; and (c) having the request signed by an authorized representative of the entity, must also include with its request information and documents sufficient to prove that it is a Class Member. Such request must be submitted to the Settlement Administrator so that it is received no later than \_\_\_\_\_, 2016.

33. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in ¶¶ 31 or 32 above as applicable and is received within the time stated above, or is otherwise accepted by the Court.

34. Any entity that does not want to be part of the Class must follow these instructions for exclusion even if it has pending, or later files, another lawsuit, arbitration, or other proceeding relating to any Class Released Claim against any of the Defendants’ Releasees.

35. Any Class Member that is excluded from the Class will not be eligible to receive any payment out of the Net Settlement Fund.

36. Defendants have the right to terminate the Settlement if valid Requests for Exclusion are received in an amount that exceeds the amount agreed to by Settling Plaintiffs and Defendants.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

37. Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the hearing. Class Members can participate in the Settlement without attending the Settlement Hearing.

38. The Settlement Hearing will be held on \_\_\_\_\_, 2016 at \_\_:\_\_ .m. before The Honorable Jorge L. Alonso, at the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Courtroom 1219, Chicago, IL 60604. The Court reserves the right to approve the Settlement, the Plan of Allocation, Co-Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Class.

39. Any Class Member that does not request exclusion may object to the Settlement, the proposed Plan of Allocation, or Co-Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk’s Office at the United States District Court for the Northern District of Illinois at the address set forth below on or before \_\_\_\_\_, 2016. You must also serve the papers on Co-Lead Counsel and on Defendants’ Counsel at the addresses set forth below so that the papers are received on or before \_\_\_\_\_, 2016.

Clerk’s Office

Co-Lead Counsel

Defendants’ Counsel

United States District Court  
Northern District of Illinois  
Clerk of the Court  
Everett McKinley Dirksen  
United States Courthouse  
219 South Dearborn Street  
Chicago, IL 60604

Avi Josefson  
Bernstein Litowitz Berger  
& Grossmann LLP  
875 North Michigan Avenue  
Suite 3100  
Chicago, IL 60611

David J. Bradford  
Jenner & Block LLP  
353 N. Clark Street  
Chicago, IL 60654

40. Any objection (a) must state the name, address and telephone number of the entity objecting and must be signed by an authorized representative of the objector; (b) must contain a statement of the Class Member’s objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court’s attention; and (c) if that entity did not receive the Settlement Notice by direct mail, the objection must include documents sufficient to prove the entity’s membership in the Class. You may not object to the Settlement, the Plan of Allocation, or Co-Lead Counsel’s motion for attorneys’ fees and reimbursement of Litigation Expenses if you exclude yourself from the Class.

41. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

42. If you wish to be heard orally at the hearing and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Co-Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 39 above so that it is received on or before \_\_\_\_\_, 2016. Any member of the Class that intends to object and desires to present evidence at the Settlement Hearing must include in its written objection or notice of appearance the identity of any witnesses it may call to testify and exhibits it intends to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

43. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Co-Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 39 above so that the notice is received on or before \_\_\_\_\_, 2016.

44. The Settlement Hearing may be adjourned by the Court without further written notice to the Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Co-Lead Counsel or by visiting the website maintained by the Settlement Administrator at [www.NorthernTrustClassAction.com](http://www.NorthernTrustClassAction.com).

45. Unless the Court orders otherwise, any Class Member that does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Co-Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

46. This notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, IL 60604. Additionally, copies of the operative complaint in the Action, the Stipulation, Settling Plaintiffs' papers in support of final approval of the Settlement, Co-Lead Counsel's papers in support of their application for an award of attorneys' fees and reimbursement of Litigation Expenses, and any related orders entered by the Court will be posted on the website maintained by the Settlement Administrator, [www.NorthernTrustClassAction.com](http://www.NorthernTrustClassAction.com).

47. All inquiries concerning this notice should be directed to the Settlement Administrator at Louisiana Firefighters' Retirement System, et al. v. Northern Trust Investments, N.A. et al., c/o GCG, P.O. Box 9349, Dublin, OH 43017-4249, (800) 231-1815, or to the following Co-Lead Counsel:

Avi Josefson  
Bernstein Litowitz Berger  
& Grossmann LLP  
875 North Michigan Avenue, Suite 3100  
Chicago, IL 60611  
(312) 373-3880

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, DEFENDANTS, OR THEIR COUNSEL REGARDING THIS NOTICE.**

Dated: \_\_\_\_\_, 2016

By Order of the Court  
United States District Court  
Northern District of Illinois

## Appendix 1

### PLAN OF ALLOCATION

1. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to Class Members. The Plan of Allocation is not intended to provide estimates of, nor be indicative of, the amounts that Class Members might have been able to recover after a trial.

2. The Plan of Allocation is based on the estimated losses in certain securities as measured on or about certain “Relevant Date(s)” by the following investment pools through which Class Members participated directly in Northern Trusts’ securities lending program: Core Collateral Section (“Core”), Core USA Collateral Section (“Core USA”), Global Core Collateral Section (“Global Core”), and European Core Collateral Section (“European Core”), along with any associated term loans or non-cash collateral (collectively, the “Core Pools”). The Net Settlement Fund will be allocated based on (i) the relative estimated losses realized by each of the Core Pools on or about the Relevant Dates and (ii) the relative investment of each Class Member in each of the Core Pools on the Relevant Dates as compared to the total value of all Class Members’ holdings in the respective Core Pools on the Relevant Dates.

3. Co-Lead Counsel, based on an analysis performed by Settling Plaintiffs’ damages expert, developed the Plan of Allocation in consideration of, among other things, the losses incurred in the Core Pools and the relative risks associated with establishing damages for the Core Pools. Based on that assessment it was determined that the Net Settlement Fund should be allocated 6% to Core (the “Core Loss Percentage”); 54% to Core USA (the “Core USA Loss Percentage”), 21% to Global Core (the “Global Core Loss Percentage”), and 19% to European Core (the “European Core Loss Percentage”).

4. For purposes of distributing the portion of the Settlement Fund allocated to the respective Core Pools among the Class Members, two Relevant Dates around which significant losses were incurred in the Core Pools are used in the Plan of Allocation to determine relative Core Pool losses: September 19, 2008 and April 19, 2010. Each Class Member’s *pro rata* interest in each Core Pool on each of those two Relevant Dates reflects that Class Member’s share of the Loss Percentage allocated to that Core Pool for each Relevant Date.

5. The *pro rata* interest of a Class Member in a Core Pool will be based on the dollar value of the Class Member’s investment in that Core Pool on the Relevant Date (as set forth in the Investment Data provided to the Settlement Administrator by Defendants) in comparison to the total value of all Class Members’ holdings in the Core Pool on that Relevant Date as set forth in Table A that appears at the end of this Notice.

6. Each Class Member’s relative allocated share of the losses incurred by each of the Core Pools will be determined based on the following:

(a) The Core Loss Percentage will be divided between the two Relevant Dates based on the relative amounts of estimated realized losses incurred in Core on those two dates:

(i) September 19, 2008: 54% of the Core Loss Percentage.

(ii) April 19, 2010: 46% of the Core Loss Percentage.

(b) The Core USA Loss Percentage will be divided between the two Relevant Dates based on the relative amounts of estimated realized losses incurred in Core USA on those two dates:

(i) September 19, 2008: 61% of the Core USA Loss Percentage.

(ii) April 19, 2010: 39% of the Core USA Loss Percentage.

(c) The Global Core Loss Percentage will be divided between the two Relevant Dates based on the relative amounts of estimated realized losses incurred in Global Core on those two dates:

(i) September 19, 2008: 63% of the Global Core Loss Percentage.

(ii) April 19, 2010: 37% of the Global Core Loss Percentage.

(d) The European Core Loss Percentage will be divided between two Relevant Dates based on the relative amounts of estimated realized losses incurred in European Core on those two dates:

(i) September 19, 2008: 82% of the European Core Loss Percentage.

(ii) April 19, 2010: 18% of the European Core Loss Percentage.

(e) The Loss Percentage allocated to each Core Pool on each Relevant Date will then be allocated among the Class Members based upon each Class Member's relative investment in the Core Pool on each Relevant Date. A Class Member's relative investment in a Core Pool shall be determined by dividing the dollar value of the Class Member's investment in the pool on each Relevant Date (as set forth in the Investment Data provided by Defendants) by the total value of all Class Members' holdings in that pool on each Relevant Date as set forth in Table A. This will be the Class Member's "Percentage Share" of that Core Pool for each Relevant Date.

#### **CALCULATION OF DISTRIBUTIONS FROM THE NET SETTLEMENT FUND**

7. The Settlement Administrator will calculate each Class Member's distribution from the Net Settlement Fund based on the calculations set forth in paragraphs 1 - 6 above.

8. Table A, attached at the end of this Notice, sets forth for each Core Pool: (a) the Loss Percentage for the pool; (b) the percentage of the pool's Loss Percentage allocated to each of the Relevant Dates; and (c) the total value of the Class Members' interests in each pool on each of the Relevant Dates.

9. Based on the allocations of the Loss Percentages set forth in paragraph 6 above (which are also set forth in Table A), each Class Member's proportionate share of the Net Settlement Fund will be calculated as follows:

(a) For each Core Pool on each Relevant Date, the Settlement Administrator will multiply the percentage allocated to the Core Pool by the amount in the Net Settlement Fund to determine the portion of the Net Settlement Fund available for distribution to Class Members who were invested in the respective Core Pool on each Relevant Date.

(b) With respect to each Core Pool on each Relevant Date, the Settlement Administrator will multiply the amount determined pursuant to subparagraph 9(a) above by the Class Member's Percentage Share (calculated as described in paragraph 6(e) above) to determine the amount allocable to the Class Member (the "Core Pool Distribution Amount").

(c) The total of a Class Member's Core Pool Distribution Amounts shall be the Class Member's "Distribution Amount".

10. In the event that any Class Members do not participate in the Settlement, the funds that would otherwise be allocated to such non-participating Class Members will be re-allocated among the participating Class Members by applying each of the levels of allocation discussed in paragraphs 3 and 6 above to such Core Pools.

**ADDITIONAL PROVISIONS**

11. After the initial distribution of the Net Settlement Fund, the Settlement Administrator shall make reasonable and diligent efforts to have Class Members cash their distribution checks. If six (6) months after the initial distribution, the amount remaining in the Net Settlement Fund after paying any unpaid fees and expenses incurred in administering the Settlement, including the costs associated with a re-distribution, equals or exceeds \$25,000, the Settlement Administrator shall conduct a re-distribution of the funds remaining to Class Members who have cashed their initial distributions and who would receive at least \$20 in such re-distribution. Additional re-distributions to Class Members who have cashed their prior checks and who would receive at least \$20 in such re-distribution may occur thereafter until the balance remaining in the Net Settlement Fund is under \$25,000. At such time as the amount remaining in the Net Settlement Funds is under \$25,000, after paying any unpaid fees and expenses incurred in administering the Settlement (including the costs of re-distributions), the remaining balance shall be contributed to non-sectarian, not-for-profit 501(c)(3) organization(s), to be recommended by Co-Lead Counsel and approved by the Court.

12. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Class Members. No person or entity shall have any claim against Settling Plaintiffs, Co-Lead Counsel, Settling Plaintiffs' damages expert, Defendants, Defendants' Counsel, or any of the other Releasees, or the Settlement Administrator or other agent designated by Co-Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Settling Plaintiffs, Defendants and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the Plan of Allocation or such other plan of allocation as may be approved by the Court; the determination, administration, calculation, or payment of any distributions from the Settlement Fund or the Net Settlement Fund; the performance or nonperformance of the Settlement Administrator; the payment or withholding of taxes owed by the Settlement Fund; or any losses incurred in connection with any of the foregoing.

13. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Settling Plaintiffs after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding the Plan of Allocation, including any order that modifies the Plan of Allocation should the Court enter such an order, will be posted on the Settlement website, [www.NorthernTrustClassAction.com](http://www.NorthernTrustClassAction.com).

**TABLE A**

<b>Core Loss Percentage - 6%</b>			
9-19-08 % of Core Loss Percentage	9-19-08 Total Class Member Holdings in Core	4-19-10 % of Core Loss Percentage	4-19-10 Total Class Member Holdings in Core
54%	\$ _____	46%	\$ _____

<b>Core USA Loss Percentage - 54%</b>			
9-19-08 % of Core USA Loss Percentage	9-19-08 Total Class Member Holdings in Core USA	4-19-10 % of Core USA Loss Percentage	4-19-10 Total Class Member Holdings in Core USA
61%	\$ _____	39%	\$ _____

<b>Global Core Loss Percentage - 21%</b>			
9-19-08 % of Global Core Loss Percentage	9-19-08 Total Class Member Holdings in Global Core	4-19-10 % of Global Core Loss Percentage	4-19-10 Total Class Member Holdings in Global Core
63%	\$ _____	37%	\$ _____

<b>European Core Loss Percentage - 19%</b>			
9-19-08 % of European Core Loss Percentage	9-19-08 Total Class Member Holdings in European Core	4-19-10 % of European Core Loss Percentage	4-19-10 Total Class Member Holdings in European Core
82%	\$ _____	18%	\$ _____

# **EXHIBIT 4**

Exhibit 4

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS

LOUISIANA FIREFIGHTERS' RETIREMENT SYSTEM, THE BOARD OF TRUSTEES OF THE PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO, THE BOARD OF TRUSTEES OF THE CITY OF PONTIAC POLICE & FIRE RETIREMENT SYSTEM, and THE BOARD OF TRUSTEES OF THE CITY OF PONTIAC GENERAL EMPLOYEES RETIREMENT SYSTEM, on behalf of themselves and all others similarly situated,

Plaintiffs,

v.

NORTHERN TRUST INVESTMENTS, N.A., and THE NORTHERN TRUST COMPANY,

Defendants.

Case No. 09-7203

Hon. Jorge L. Alonso

**SUMMARY NOTICE OF (I) CERTIFICATION OF CLASS AND PROPOSED SETTLEMENT OF CLASS ACTION, (II) SETTLEMENT HEARING, AND (III) MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

**TO:** All entities that are not governed by ERISA (notwithstanding any incorporation of an ERISA standard of care or other ERISA standards into any such entity's applicable contracts with Northern Trust) and that directly invested or maintained investments or assets during the period beginning September 14, 2008 through and including December 31, 2010 (the "Class Period") in any of the Core Collateral Section, Core USA Collateral Section, Global Core Collateral Section, and/or European Core Collateral Section, also referred to as Core, Core USA, Global Core, and European Core, respectively, along with any associated term loans or non cash collateral (the "Core Pools") (the "Class").<sup>1</sup>

**PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

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<sup>1</sup> Certain persons and entities are excluded from the Class by definition as set forth in ¶ 10 of the full printed Settlement Notice described below.

This is to notify you that the United States District Court for the Northern District of Illinois (the “Court”) has preliminarily approved a proposed Settlement of the remaining claims asserted in above-captioned class action lawsuit (the “Action”).<sup>2</sup> Pursuant to the Settlement, Defendants have agreed to pay \$4,250,000 in cash into escrow in resolution of the “Direct Lending Claims” (as defined below) asserted on behalf of the Class in the Action.<sup>3</sup> The cash settlement amount, plus interest thereon, less administrative fees, costs and attorneys’ fees approved by the Court, will be distributed to Class Members according to a Plan of Allocation proposed by Co-Lead Counsel or such other plan of allocation as may be approved by the Court. Defendants have expressly denied and continue to deny all assertions of wrongdoing or liability against them in the Action and have agreed to enter into the Settlement solely to avoid the uncertainty, burden and expense of protracted litigation of the claims asserted on behalf of the Class.

“Direct Lending” as used herein and for purposes of the proposed Settlement means any investor’s participation in Northern Trust’s securities lending program pursuant to an agreement to lend that investor’s own securities, pursuant to which that investor’s collateral from securities lending was invested in any Northern Trust collateral reinvestment vehicle. The universe of Direct Lending investors who are members of the Class is limited to those who invested in any of the Core Pools. Please note: Investment in a Commingled Lending Fund is not and does not constitute “Direct Lending” and, for purposes of the Settlement, securities lending and collateral reinvestment by a Commingled Lending Fund does not constitute Direct Lending.

A hearing will be held on \_\_\_\_\_, 2016 at \_\_:\_\_ .m. before The Honorable Jorge L. Alonso, at the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Courtroom 1219, Chicago, IL 60604, to determine (a) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (b) whether the Direct Lending claims should be dismissed with prejudice; (iii) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (iv) whether Co-Lead Counsel’s application for an award of attorneys’ fees and reimbursement of expenses, which will be filed with the Court on or before \_\_\_\_\_, 2016 and available for review by Class Members, should be approved.

**If you are a member of the Class, your rights will be affected by the certification of the Class and the proposed Settlement.** Defendants have identified from their records the entities they believe to be members of the Class and a more detailed notice of the pendency of the class action and proposed settlement (the “Settlement Notice”) was mailed directly to each such entity on \_\_\_\_\_, 2016. The Settlement Notice sets forth the rights of Class Members and important deadlines and is available on the website maintained by the Settlement Administrator, [www.NorthernTrustClassAction.com](http://www.NorthernTrustClassAction.com). **PLEASE READ IT CAREFULLY AND IN ITS ENTIRETY.**

Entities which received the Settlement Notice by direct mail do not need to do anything to be eligible to receive a distribution from the Settlement proceeds if the Settlement is approved

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<sup>2</sup> This notice is only a summary; the Stipulation and Agreement of Settlement of Class Action dated July 25, 2016 (the “Stipulation”), a copy of which is available at [www.NorthernTrustClassAction.com](http://www.NorthernTrustClassAction.com), controls the terms of the Settlement.

<sup>3</sup> An initial, partial settlement of this Action that resolved all “Indirect Lending” claims asserted against the Defendants in the Action was approved by the Court on August 5, 2015.

by the Court. Defendants have provided the Settlement Administrator with each Identified Class Member's relevant investment information for the purpose of calculating their *pro rata* share of the Net Settlement Fund under the plan of allocation that is approved by the Court. If an Identified Class Member directed Defendants not to provide this information to the Settlement Administrator and Co-Lead Counsel, such entity has forfeited all right to any distribution from the Settlement proceeds.

***If you did not receive a copy of the Settlement Notice by direct mail and you believe that you are a member of the Class***, you have the right to challenge your omission from the Class ("Status Challenge"). To be a Class Member, you must have directly invested or maintained investments or assets in one or more of the Core Pools during the Class Period. In order to be eligible to establish your status as a Class Member, you must submit your challenge to the Settlement Administrator in writing postmarked no later than \_\_\_\_\_, 2016 at the following address: *Louisiana Firefighters' Retirement System, et al. v. Northern Trust Investments, N.A. et al.*, c/o GCG, P.O. Box 9349, Dublin, OH 43017-4249. The challenge must set forth a detailed statement of the basis for your belief that you are a Class Member and must include documentation in support of your position. Status Challenges will be reviewed and the challenger will be advised of the conclusion reached. If the conclusion is disputed, the challenger will have the right to request a Court review of the determination.

As described more fully in the Settlement Notice, Class Members have the right to request exclusion from the Class, but any such request must comply with the instructions set forth in the Settlement Notice and must be *received* no later than \_\_\_\_\_, 2016. Any Class Member properly requesting to be excluded from the Class will not be bound by any judgment or orders entered by the Court with respect to the Direct Lending claims and will not be eligible to share in the proceeds of the Settlement.

Any objections to the proposed Settlement, the proposed Plan of Allocation, or Co-Lead Counsel's application for attorneys' fees and reimbursement of expenses, must be filed with the Court and delivered to Co-Lead Counsel and Defendants' Counsel such that they are *received* no later than \_\_\_\_\_, 2016, in accordance with the instructions set forth in the Settlement Notice which has been posted on the websites noted above.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. All inquiries concerning this notice should be directed to the Settlement Administrator at *Louisiana Firefighters' Retirement System, et al. v. Northern Trust Investments, N.A. et al.*, c/o GCG, P.O. Box 9349, Dublin, OH 43017-4249, or to the following Co-Lead Counsel:

Avi Josefson  
Bernstein Litowitz Berger  
& Grossmann LLP  
875 North Michigan Avenue, Suite 3100  
Chicago, IL 60611  
(312) 373-3880

By Order of the Court