

IN THE PROBATE COURT OF JEFFERSON COUNTY, ALABAMA
(IN EQUITY)

IN RE REGIONS BANK, d/b/a)
REGIONS MORGAN KEEGAN TRUST) CASE NO. 200853

NOTICE OF SETTLEMENT AND FAIRNESS HEARING

and

NOTICE OF PETITIONS FOR FINAL DISCHARGE AND RELEASE

The Probate Court of Jefferson County, Alabama Authorized This Notice

Records maintained by Regions Bank show that the account identified in the enclosed cover letter (“This Account”)¹ is one of the Settlement Accounts² included in a Settlement Agreement filed in the case identified above (the “TAL Proceeding”). The Settlement Agreement provides a **\$24 million cash Settlement Amount for the Settlement Accounts.**

This Notice provides important information about the TAL Proceeding and about the Settlement Agreement, which has been preliminarily approved by the Probate Court for Jefferson County, Alabama (the “Court”). The Settlement Agreement resolves disputed claims concerning investments in one or more of the following mutual funds: (1) the Regions Morgan Keegan Select Intermediate Bond Fund; (2) the Regions Morgan Keegan Select High Income Fund; and (3) the Regions Morgan Keegan Select Short Term Bond Fund (together, the “Open-End Funds”).

This Notice also provides important information about Petitions For Final Discharge And Release filed separately by the Court-appointed Trustee ad Litem (“TAL”) and by Regions Bank.

Only “Parties With Standing” (defined at p. 5) may take action on behalf of This Account in response to this Notice. Your receipt of this Notice does not necessarily mean that you are a Party With Standing. Please review the definition of Party With Standing to determine if you are a Party With Standing. If you are not, or are no longer, a Party With Standing for This Account, then please notify the TAL and Regions Bank (as provided at Question 9 below), and please forward this Notice to any current Party With Standing for This Account who is known to you.

If This Account is or becomes a “Legacy Account” (defined at p. 5), then you must inform Regions Bank of any known corrections or changes (now and in the future) to the name(s), status, relative shares, address(es), and contact information for the Account Successor(s) (defined at p. 5) of This Account. Information about how to do this is provided at Question 9. **Failure to provide correct and updated information to Regions Bank could cause cash payments from the Settlement for This Account to be misdirected or permanently lost.**

SUMMARY OF KEY INFORMATION

The \$24 million Settlement Amount will be allocated and distributed to the Settlement Accounts as provided by a Court-approved Plan of Allocation. A proposed Plan of Allocation is described in this Notice but remains subject to final approval by the Court. The term “Settlement” as used in this Notice refers to both the Settlement Agreement and the Plan of Allocation.

The enclosed cover letter shows the estimated distribution to This Account under the proposed Plan of Allocation.

The Settlement resolves disputed claims by C. Fred Daniels, as Court-appointed Trustee ad Litem for the Settlement Accounts, that: (1) Regions Financial Corporation (“RFC”), some of RFC’s present and former affiliates, including Morgan Keegan & Company, Inc. (“Morgan Keegan”), Morgan Asset Management, Inc. (now called Regions Investment Management, Inc.) (“MAM”) (MAM and RFC are referred to in this Notice as the “Regions Parties”), and others violated

¹ As this Notice later explains: (a) if This Account is still open at Regions Bank, then any Distribution Amount will be paid into This Account; and (b) if This Account has closed at Regions Bank, then any Distribution Amount will be paid to the Account Successor(s) of This Account.

² Most capitalized terms in this Notice are defined in the Settlement Agreement. **Question 28 describes how to view or obtain a copy of the Settlement Agreement.** This Notice only summarizes the Settlement Agreement. The actual terms of Settlement Agreement control in the event of any inconsistency with this Notice.

federal securities laws in connection with the Open-End Funds; and (2) MAM breached contractual obligations under Investment Advisory Service Agreements with Regions Bank by failing to cause the Settlement Accounts to divest and discontinue investments in the Open-End Funds before their share values collapsed in the second half of 2007.

A Court-appointed Special Master has reviewed the Settlement, including the proposed Plan of Allocation, and recommended preliminary approval by the Court. The Court has entered an order preliminarily approving the Settlement, but will not decide whether to grant final approval until after the procedures and hearings described in this Notice have been completed.

The TAL has filed a Petition For Final Discharge And Release (“TAL Final Discharge Petition”) asking the Court to enter a TAL Final Discharge Order fully and finally discharging and releasing the TAL from all liability and from all further responsibility in the TAL Proceeding, other than any specific Winding-Up Responsibilities that the Court may direct in the TAL Final Discharge Order. Regions Bank has filed a separate Petition for Final Discharge seeking similar relief for Regions Bank (“Regions Final Discharge Petition”).

Parties With Standing may submit objections to the Settlement, and objections to either or both of the Final Discharge Petitions, by following the procedures described at Questions 18-20 in this Notice. Copies of the Settlement Agreement and Petitions For Final Discharge may be viewed or obtained as described at Question 28.

The Special Master will consider objections to the Settlement at a Fairness Hearing to be held on **April 26, 2016** (“Fairness Hearing”), and make recommendations to the Court concerning Final Approval of the Settlement. Details about this Fairness Hearing are provided at Questions 21-23.

After receiving recommendations from the Special Master, the Court will hold a Final Approval And Final Discharge Hearing to further consider objections to the Settlement and to consider objections to the separate Final Discharge Petitions filed by the TAL and by Regions Bank.

Legal rights related to This Account are affected whether you act or do not act. Read this Notice carefully.

SUMMARY OF ACTIONS PARTIES WITH STANDING MAY TAKE	
NO ACTION IS NECESSARY FOR THIS ACCOUNT TO RECEIVE PAYMENT.	This Account is not required to do anything to receive a payment from the Settlement. This Account’s allocable portion of the Settlement Amount will be calculated and distributed as provided in the Court-approved Plan of Allocation. See Question 9, however, about correcting and updating contact information.
PARTIES WITH STANDING CAN OBJECT (Objections must be received by no later than APRIL 15, 2016)	Parties With Standing can object to any part of the Settlement (including the proposed Plan of Allocation) or to the Final Discharge Petition of either the TAL or Regions Bank by following the procedures in Questions 18-20.
PARTIES WITH STANDING CAN GO TO THE FAIRNESS HEARING ON APRIL 26, 2016.	Parties With Standing may (but do not have to) attend the Fairness Hearing even if they do not file a written objection, but will only be allowed to speak if they both: (a) submit a written objection to the Special Master and the lawyers identified at Question 18, and (b) submit a written Notice of Intent to Appear at Fairness Hearing as provided at Question 23, by April 15, 2016.
PARTIES WITH STANDING CAN GO TO THE COURT’S FINAL APPROVAL AND FINAL DISCHARGE HEARING.	Parties With Standing may (but do not have to) attend the Court’s Final Approval And Final Discharge Hearing even if they do not file a written objection, but they will only be provided with written notice of the date, time, and location of the Court’s Final Approval And Final Discharge Hearing, and they will only be allowed to speak at the hearing, if they both: (a) submit a written objection to the Special Master and the lawyers identified in Questions 18-20, and (b) submit a written Notice of Intent to Appear at the Final Approval And Final Discharge Hearing as provided at Question 26, by April 15, 2016.

Relevant documents filed with the Court can be reviewed on the TAL’s website www.rmklawsuit.com and copies can be obtained by contacting the TAL at: (800) 253-4248 (toll free telephone); trustee@rmklawsuit.com (email); or P.O. Box 830612, Birmingham, Alabama 35283-0612 (mail).

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THE TAL’S APPOINTMENT AND AUTHORITY

Regions Bank is a subsidiary of RFC and serves in fiduciary capacities as trustee, directed trustee, custodian, executor, personal representative, guardian, agent, and conservator for accounts such as trusts, agencies, directed trusts, custodial accounts, decedent’s estates, guardianships, conservatorships, and ERISA-non-fiduciary accounts (“Accounts”). Regions Bank has in the recent past conducted its trust and fiduciary operations under the trade name “Regions Morgan Keegan Trust.”

Millions of dollars' worth of Regions Bank's fiduciary Accounts' assets were invested in shares of seven Regions Morgan Keegan proprietary funds referred to in the TAL Proceeding as the "RMK Funds," which included the three Open-End Funds identified above in this Notice and four "Closed-End Funds."³ In the second half of 2007, share prices of the RMK Funds collapsed. Litigation by RMK Funds investors followed, including several class actions filed in late 2007 and early 2008 asserting claims under federal securities laws. The defendants included RFC, MAM, Morgan Keegan, and some of their officers and directors.

As the legal owner of the RMK Funds shares that Regions Bank held in various fiduciary capacities, Regions Bank had standing to pursue the claims asserted in the class actions, and in many instances (such as for irrevocable trusts), Regions Bank was the only party with standing to assert those claims. Since the defendants included Regions Bank's own corporate parent, its corporate affiliates, and some of its officers and directors, Regions Bank had a conflict of interest in pursuing those claims. To address this conflict, Regions Bank filed a petition commencing the TAL Proceeding and asking the Court to appoint a temporary special fiduciary to monitor, evaluate, or pursue, in substitution for Regions Bank, litigation asserting RMK Funds claims that Regions Bank could not pursue due to its conflict.

In June of 2008, the Court entered an "Amended Order Appointing Trustee ad Litem" and an "Order Identifying Beneficiaries To Be Notified And Approving Form Of Notice" (together, the "Appointment Orders"). The Appointment Orders appointed C. Fred Daniels as a temporary special fiduciary, called a Trustee ad Litem ("TAL") for Accounts that: (a) were open at Regions Bank on June 30, 2008; and (b) held or had held investments in RMK Funds ("TAL Accounts").⁴ The Appointment Orders transferred to the TAL the right, capacity, power, and authority of Regions Bank, as of June 30, 2008, with respect to each TAL Account, to file, pursue, or participate in litigation or other proceedings asserting claims or causes of action on behalf of the TAL Account to recover losses from RMK Funds investments.⁵

The Appointment Orders, and the Court-approved notice of the TAL's appointment, gave principals, settlors, and co-fiduciaries of several categories of TAL Accounts an option to remove their TAL Accounts from the TAL's authority by submitting a Court-approved "Election Out" form. The deadline for exercising that option was October 31, 2008. This Account was not removed from the TAL's authority.

The TAL's appointment excluded any authority or responsibility for administration of the TAL Accounts, for receiving or distributing any funds recovered for the TAL Accounts, and for determining the proper distributees of funds recovered for the TAL Accounts. Also, because the Court delegated to the TAL only authority of Regions Bank as a fiduciary to assert certain RMK Funds claims against others (RFC and MAM, for example), the TAL's appointment and authority excluded claims that would not be asserted by Regions Bank itself as a fiduciary for the TAL Accounts, such as claims by beneficiaries, principals, settlors, or grantors against Regions Bank or others asserting that Regions Bank breached its fiduciary duties to them by investing in the RMK Funds. The Settlement does not affect any claims of that type.

After the TAL was appointed, Regions Bank's role as trustee, custodian, agent, or other fiduciary for some of the TAL Accounts ended, for instance because the trust or account terminated or because a different trustee or other fiduciary was appointed. The Court has determined that the TAL is not divested of his appointment and authority for a TAL Account when Regions Bank's appointment as trustee or custodian ends. Instead, the TAL's appointment and authority continue until the TAL is discharged by the Court.

KEY TERMS AND DEFINITIONS

"RMK Funds Claim Authority" means the right, capacity, power, and authority of Regions Bank as of June 30, 2008 (whether conferred directly upon Regions Bank by a TAL Account's governing instrument or to be exercised by Regions Bank for a TAL Account as directed pursuant to the governing instrument) to file, pursue, or participate in litigation or other proceedings asserting any claim or cause of action on behalf of the TAL Account to recover losses from investments in the RMK Funds, to the fullest extent that such right, capacity, power, and authority was transferred by the Court to the TAL. The Court has ruled that principals, settlors, and co-fiduciaries of TAL Accounts who were authorized by the Appointment Orders to elect to remove their TAL Accounts from the TAL's authority, but failed to do so by the required

³ The four Closed-End Funds are: the RMK High Income Fund, Inc., the RMK Strategic Income Fund, Inc., the RMK Advantage Income Fund, Inc., and the RMK Multi-Sector High Income Fund, Inc. The Settlement described in this Notice only involves the Open-End Funds.

⁴ The Court also appointed a Guardian ad Litem ("GAL") to accept notice on behalf of, and to represent the interests of, the beneficiaries of TAL Accounts who are under the age of majority and are without representation, who are incompetent and are without representation, who are unborn or otherwise unascertained, who have not been identified to the TAL by Regions Bank, or whose locations have not been identified to the TAL by Regions Bank.

⁵ Refer to the definition of "RMK Funds Claim Authority" above for additional information about the authority of Regions Bank that the Court delegated and transferred to the TAL.

deadline, have consented, authorized, and agreed to the TAL's exercise of RMK Funds Claim Authority for their TAL Accounts. The TAL's RMK Funds Claim Authority includes authority for the TAL to settle claims within the scope of his appointment. The TAL's RMK Funds Claim Authority does not include any claim against Regions Bank or any other party that is based on Regions Bank's state law duties as a fiduciary for a TAL Account and which can be or could have been asserted directly by a person or entity to whom those state law fiduciary duties are owed. Any claims of that type are not part of the Settlement.

"Legacy Accounts" means TAL Accounts for which Regions Bank's appointment as trustee, directed trustee, custodian, agent, or other fiduciary has ended.

If This Account is or becomes a "Legacy Account," then you must inform Regions Bank of any known corrections or changes (now and in the future) to the name(s), status, relative shares, address(es), and contact information for the Account Successor(s) of This Account. Information about how to do this is provided at Question 9. Failure to provide correct and updated information to Regions Bank could cause cash payments from the Settlement for This Account to be misdirected or permanently lost.

"Account Successors" means the persons and entities who are entitled to receive distributions of amounts recovered for a Legacy Account.

"Potential Account Successors" means persons or entities who have not been determined by Regions Bank to be Account Successors, but who have been identified as possibly being Account Successors based on information received or obtained by Regions Bank (such as from a settlement administrator, from an Account Successor, or from Regions Bank's review of returned Account Successor notices pursuant to procedures established in the Court's order entered on July 14, 2014). The Court-approved Settlement Administrator will determine whether a Potential Account Successor is an Account Successor entitled to receive a Distribution Amount. If the Settlement Administrator is unable to determine the status or share of a Potential Account Successor, then the Court will make that determination through the process described at Subsection 2.2.2.1, pages 25-26, of the Settlement Agreement.

The Court-approved Settlement Administrator is Garden City Group, LLC, and its contact information is as follows: Regions Bank Trustee ad Litem Settlement, c/o Garden City Group, PO Box 9349, Dublin, OH 43017-4249 (mailing address); 877-940-9475 (toll-free telephone number); RegionsBankTALSettlement@gardencitygroup.com (email address).

"Party With Standing" or **"Parties With Standing"** means those persons and entities who the Court has determined have a sufficiently close legal relationship to a Settlement Account to make objections on its behalf. The Court has ruled that Parties With Standing are the GAL and those persons or entities who, at the relevant time: (i) with respect to a Settlement Account that is open at Regions Bank, have one or more of the relationship(s) to the Settlement Account reflected on the attached Parties With Standing Chart for the Settlement Account's account type; or (ii) with respect to Legacy Accounts, are Account Successors. **If you have questions about whether you are a Party With Standing, you may contact the TAL at: (800) 253-4248 (toll free telephone); trustee@rmklawsuit.com (email); or by writing to Trustee ad Litem, P.O. Box 830612, Birmingham, Alabama 35283-0612; or you may contact Regions Bank by mail at: Regions Trust Account Updates, c/o Maynard, Cooper & Gale, PC, 1901 6th Avenue North, Suite 2400, Birmingham, AL 35203; by phone at: (855) 501-9793; or by email at: Updates@maynardcooper.com.**

SUMMARY OF THE SETTLEMENT

(a) Recovery for Settlement Accounts.

The Settlement Agreement provides for a \$24 million cash Settlement Amount to be paid to the Settlement Accounts or their Account Successors. The Settlement Amount is to be allocated and distributed among the Settlement Accounts as provided by a Court-approved Plan of Allocation. The Settlement Amount will not be reduced by any attorneys' fees and expenses or by any costs and expenses of administering or implementing the Settlement. Fees and expenses of the TAL and his counsel are paid by Regions Bank pursuant to orders of the Court and are subject to Court review. The Settlement Agreement provides that all costs and expenses of administering and implementing the Settlement are to be paid by RFC. No fees or expenses will be paid from the Settlement Amount.

Using the formula shown in the proposed Plan of Allocation (described at Question 29), the **estimated** Distribution Amount allocated to This Account is the amount shown in the enclosed cover letter. Although the Settlement Agreement and the proposed Plan of Allocation have been preliminarily approved by a Court-appointed Special Master and by the

Court, neither the Settlement Agreement nor the proposed Plan of Allocation has been finally approved by the Court. Parties With Standing may object to the proposed Plan of Allocation or other provisions of the Settlement.

The Settlement Amount represents a net recovery of more than 31% of the total Eligible Loss amounts of the Settlement Accounts, and a net recovery of more than 41% of the total Recognized Claim Amounts of the Settlement Accounts, as calculated under the proposed Plan of Allocation. The Recognized Claim Amounts of Settlement Accounts reflect a reduction of their Eligible Loss amounts for amounts recovered from other settlements, which have been significant. The percentage recovery for individual Settlement Accounts may vary from the above percentages based on the criteria and formula used in the proposed Plan of Allocation.

In addition to the \$24 million Settlement Amount, Settlement Accounts that still held Open-End Funds shares on May 29, 2009 (when the Open-End Funds were formally liquidated) may be eligible to receive distributions from a \$15 million settlement fund that is to be created pursuant to a proposed settlement in *Landers, et al v. Morgan Asset Management, Inc., et al.*, Case No. 2:08-cv-02260-SHM-dkv (W.D. Tenn.) (the "OEF Derivative Litigation") if that settlement is approved by the court where the OEF Derivative Litigation is pending. More information about the OEF Derivative Litigation is provided at Question 2.

Based on all information now available to the TAL, the TAL believes that the Settlement Amount is a significantly greater net recovery for the Settlement Accounts than could or would be obtained through any alternatives available to the TAL, including continuing participation in *In re Regions Morgan Keegan Open-End Mutual Fund Litigation*, Civil Action No. 2:07-cv-2784-SHM, a consolidated class action on behalf of Open-End Funds investors (the "OEF Class Securities Litigation"). More information about the OEF Class Securities Litigation is provided at Question 2.

(b) Statement of Potential Outcome if Litigation Continued.

When the Settlement was reached, the federal securities law claims of the Settlement Accounts were within the claims being pursued on behalf of a proposed class in the OEF Class Securities Litigation pending in the United States District Court for the Western District Of Tennessee (the "Tennessee Federal Court"). The Open-End Funds Class Securities Litigation is being prosecuted by Lead Plaintiffs and Class Counsel that do not include any Settlement Accounts, the TAL, or the TAL's counsel, although the TAL and his counsel maintained a cooperative and mutually supportive relationship with Class Counsel.

Defendants in the OEF Class Securities Litigation vigorously contest both liability and the types and amounts of damages that would be recoverable if the plaintiffs were to prevail on any of their claims. In 2010, the Tennessee Federal Court granted defense motions to dismiss all claims under the Securities Exchange Act of 1934 and Rule 10b-5 promulgated under that Act. Those claims had been asserted on behalf of proposed class members who were "holders," or owners, of Open-End Funds shares between certain dates, regardless of when those shares were purchased. The claims that remained were asserted only for losses on shares purchased between December 6, 2004, and December 6, 2007. Many Open-End Funds shares of Settlement Accounts were purchased before December 6, 2004 and after December 6, 2007, so losses on those shares were not covered by the claims that remained pending after the Tennessee Federal Court's ruling on the motions to dismiss. Although Lead Plaintiffs and Class Counsel filed a motion asking the Tennessee Federal Court for permission to file an amended complaint asserting new claims, the court has not ruled on that motion.

Apart from uncertainty about whether any amount would be recovered in the OEF Class Securities Litigation and about the extent of the losses that might be recoverable, continued participation by the Settlement Accounts in the OEF Class Securities Litigation: (a) could require years to reach a resolution; and (b) would result in a large deduction from any amount recovered for the Settlement Accounts (whether through trial or settlement) to pay Class Counsel's attorneys' fees (30% of the amount recovered has been awarded by the Tennessee Federal Court in settlements of other class actions involving RMK Funds) and substantial litigation expenses. The cost of administering and implementing any settlement in the OEF Class Securities Litigation would also be deducted from any amount recovered for the Settlement Accounts.⁶

Also pending when the Settlement was reached was a class action⁷ against MAM on behalf of the Settlement Accounts that was filed by the TAL as Trustee ad Litem for five specifically identified Settlement Accounts as class representatives: *C. Fred Daniels as Trustee ad Litem for the William O. Baldwin Charitable Trust, et al v. Morgan Asset Management, Inc.*,

⁶ As described at Question 2, after this Settlement was reached, a proposed settlement was reached in the OEF Class Securities Litigation. Based on all information now available, the TAL believes that the Settlement for the Settlement Accounts collectively results in a recovery of a greater percentage of their uncompensated losses from Open-End Funds investments than would have resulted from continued participation in the OEF Class Securities Litigation or participation in the proposed settlement of that litigation.

⁷ Unless otherwise stated, all references in this Notice to a "class action" or "class actions" are to lawsuits pursued on behalf of an alleged or putative class of persons and entities, but in which the court has not yet ruled as to whether a class can or should be certified.

Case No. 2:13-cv-02053-SHM (W.D. Tenn.) (the “TAL Contract Litigation”). This class action asserts that MAM breached Investment Services Advisory Agreements with Regions Bank by failing to cause the Settlement Accounts to divest and discontinue investments in the Open-End Funds before the share values of the Open-End Funds collapsed in the second half of 2007. An earlier class action based on the Investment Advisory Services Agreements that was filed by the TAL as Trustee ad Litem for different Settlement Accounts as class representatives had been dismissed by the Tennessee Federal Court because the court concluded that the state-law claims asserted were preempted by the federal Securities Litigation Uniform Standards Act (SLUSA)⁸ and could only be asserted as federal securities law claims. While the complaint in the TAL Contract Litigation was drafted to omit allegations of the type relied upon by the Tennessee Federal Court for its dismissal of the prior class action, prevailing in the TAL Contract Litigation still presented substantial legal and factual hurdles.

(c) Implementation Procedure

The Settlement Agreement provides for independent review of the Settlement (including the proposed Plan of Allocation) by the Court and by a Court-appointed Special Master who is a retired federal judge with significant experience presiding over litigation and settlements of this type. The Settlement Agreement also provides for Notices of the Settlement to persons who have or may have had interests in the Settlement Accounts and an opportunity for Parties With Standing to object and have their objections heard by the Special Master and by the Court.

(d) Released Claims and Released Parties

In exchange for the Settlement Amount, the Settlement Accounts are releasing the Released Parties from all Released Claims. The Released Parties and Released Claims are identified and described at Question 11.

(e) Further Information

Further information may be obtained by viewing the TAL’s website at: www.rmklawsuit.com, or by contacting the TAL at (800) 253-4248 (toll free telephone); trustee@rmklawsuit.com (email); or P.O. Box 830612, Birmingham, Alabama 35283-0612 (mail).

Do Not Call the Court with Questions About the Settlement

A. BASIC INFORMATION

1. Why did I get this Notice?

This Notice was sent to you because you have been identified by or to Regions Bank as either a Party With Standing or a Potential Account Successor for a Settlement Account, or you have been an addressee of a prior written communication by the TAL about a Settlement Account in connection with the TAL’s appointment (“Other Potentially Interested Party”).

Parties With Standing are the only persons or entities: (i) who are entitled to object to the Settlement; and (ii) who are entitled to object to the Final Discharge Petitions filed by the TAL and Regions Bank. **Receipt of this Notice does not necessarily indicate that the recipient has been identified as a Party With Standing, but rather, receipt of this Notice may mean merely that the recipient is an Other Potentially Interested Party who is receiving the Notice at the TAL’s discretion solely as information.**

The Court, the Special Master, the TAL, the GAL, Regions Bank, and the Regions Parties all believe Parties With Standing should know about the proposed Settlement (including the proposed Plan of Allocation) and the Final Discharge Petitions of the TAL and Regions Bank, and should have an opportunity to object and be heard by the Court and the Court-appointed Special Master, before the Court decides whether to grant final approval to the Settlement or grant the full and final discharges and releases of the TAL and Regions Bank requested in their separate Final Discharge Petitions.

The Court has appointed the Honorable Frank W. Bullock, Jr. as a Special Master to consider objections to the Settlement from Parties With Standing and make recommendations to the Court about whether the Settlement should be granted final approval. Judge Bullock is a retired federal district court judge with significant experience presiding over similar litigation and settlements. Before making recommendations to the Court about final approval of the Settlement, the Special Master will hold a Fairness Hearing at 9:00 a.m. on April 26, 2016, in the Courtroom of Judge Alan King, First

⁸ 15 U.S.C. §§ 77(p)(b) and 15 U.S.C. §§ 78bb(f)(1)(A).

Floor, Jefferson County Courthouse, 716 North Richard Arrington Jr. Blvd., Birmingham, AL 35203 to consider objections to the Settlement.

After the Special Master has made recommendations to the Court about final approval of the Settlement, the Court will then schedule a Final Approval And Final Discharge Hearing to further consider objections to the Settlement and also to consider objections to the separate Final Discharge Petitions filed by the TAL and by Regions Bank. Persons who submitted written objections to the Settlement or to the Final Discharge Petitions in compliance with the procedures provided at Questions 18-20 in this Notice will be notified of the date, time, and place of the Court's Final Approval And Final Discharge Hearing.

2. What is the litigation about and what has happened so far?

Two pending cases are directly involved: the OEF Class Securities Litigation and the TAL Contract Litigation. Because the Settlement resolves the TAL's Open-End Funds claims on behalf of Settlement Accounts, the Settlement Accounts will no longer participate in the OEF Class Securities Litigation and the TAL Contract Litigation will be dismissed. A related third case involving the Open-End Funds, the OEF Derivative Litigation (explained below), is not affected by this Settlement and any rights that any Settlement Accounts may have to receive dividends or distributions from amounts recovered by or for the Open-End Funds in the OEF Derivative Litigation are preserved.

The OEF Class Securities Litigation. A class action was commenced on December 6, 2007, in the Tennessee Federal Court on behalf of shareholders of the Open-End Funds.⁹ Other class actions asserting similar claims for Open-End Funds investors were subsequently filed, including a protective class action filed by the TAL for TAL Accounts (*C. Fred Daniels, as Trustee ad Litem, et al. v. Morgan Keegan & Co., Inc., et al.*, Case No. 2:08-CV-2454 (W.D. Tenn. filed July 11, 2008)). On September 23, 2008, the Tennessee Federal Court consolidated the class actions filed on behalf of Open-End Funds investors into the OEF Class Securities Litigation (*In re Morgan Keegan Open-End Mutual Fund Litigation*, Case No. 2:07-2784-SHM-dkv).¹⁰

The Tennessee Federal Court appointed Lead Plaintiffs and Class Counsel in the OEF Class Securities Litigation on September 30, 2009. A Consolidated Amended Class Action Complaint ("CAC") filed on November 30, 2009, alleged seven causes of action based on federal securities laws (Sections 11, 12(a)(2) and 15 of the Securities Act of 1933; Sections 10(b) and 20 of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder; and various sections of the Investment Company Act of 1940) on behalf of the investors in the Open-End Funds, and it sought compensatory or rescissory damages for their losses, prejudgment interest, costs, and reasonable attorneys' fees. The claims under the Securities Act of 1933 were asserted for Open-End Funds shares purchased between December 6, 2004, and December 6, 2007. The claims under the Securities Exchange Act of 1934 were asserted for "holders" of all Open-End Funds shares owned or held between certain dates, regardless of when those shares were purchased.

On September 30, 2010, the Tennessee Federal Court granted in part and denied in part defense motions to dismiss the CAC. The surviving claims asserted violations of Sections 11, 12(a)(2) and 15 of the Securities Act of 1933. The dismissed claims included those for alleged violations of Section 10(b) of the Securities Exchange Act of 1934 (and Rule 10b-5). This dismissal effectively removed all claims for losses on Open-End Funds shares purchased before December 6, 2004 or after December 6, 2007.

In June 2012, Lead Plaintiffs filed a motion asking the Tennessee Federal Court for permission to file a proposed Second Consolidated Amended Class Action Complaint, which would reassert modified claims under the Securities Exchange Act of 1934 and Rule 10b-5 for "holders" (or sellers) of shares owned or held between specified dates. The Tennessee Federal Court has not ruled on that motion.

The TAL Contract Litigation. On November 8, 2012, the TAL, as Trustee ad Litem for five specifically identified Settlement Accounts as class representatives, filed a class action (*C. Fred Daniels as Trustee ad Litem for the William O. Baldwin Charitable Trust, et al v. Morgan Asset Management, Inc.*, Case No. 2:13-cv-02053-SHM (W.D. Tenn.)) (the "TAL Contract Litigation") against MAM on behalf of the Settlement Accounts, alleging that MAM breached Investment Services Advisory Agreements with Regions Bank by failing to cause the Settlement Accounts to divest and discontinue investments in the Open-End Funds before the share values of the Open-End Funds collapsed in the second half of 2007. An earlier class action based on the Investment Advisory Services Agreements filed by the TAL as Trustee ad Litem for

⁹ The defendants included RFC, MAM, Morgan Keegan, MK Holding, Inc., Regions Bank, the Open-End Funds, Pricewaterhouse-Coopers LLP, and a number of individual officers and directors of some of the corporate defendants.

¹⁰ By separate order on August 26, 2009, the Tennessee Federal Court consolidated the TAL's protective class action for TAL Accounts into the OEF Class Securities Litigation.

different Settlement Accounts as class representatives had been dismissed by the Tennessee Federal Court because the court concluded that the state law claims asserted were preempted by the federal Securities Litigation Uniform Standards Act (SLUSA)¹¹ and could only be asserted as federal securities law claims. Relying on statements in the opinion by the United States Court Of Appeals For The Sixth Circuit affirming the dismissal of the earlier class action, the TAL Contract Litigation complaint is more narrowly drafted in an effort to avoid preemption under SLUSA. Because the TAL, the Regions Parties, and Regions Bank began settlement negotiations (described below) soon after the TAL Contract Litigation was filed, there has been no substantive activity in that action.

The OEF Derivative Litigation. On March 28, 2008, the OEF Derivative Litigation (*Landers, et al v. Morgan Asset Management, Inc., et al.*, Case No. 2:08-cv-02260-SHM-dkv (W.D. Tenn.)) was filed by shareholders on behalf of the Open-End Funds against the defendants¹² alleging that they mismanaged the Open-End Funds or negligently rendered services to the Open-End Funds. A First Amended Derivative Complaint was filed on October 13, 2009, and the defendants moved to dismiss that complaint on December 15, 2009. On September 24, 2010, the Tennessee Federal Court denied all motions to dismiss, ordered the Open-End Funds' directors to complete their investigation of the plaintiffs' claims on behalf of the Open-End Funds, and stayed the case pending the Open-End Funds' directors' response.

Settlement of the TAL's Claims. The Settlement is the result of exhaustive, informed, and contentious arms-length negotiations among the TAL, the Regions Parties, and Regions Bank. By the Fall of 2012, the OEF Class Securities Litigation had stalled. Key motions had been pending for many months without action and some for well over a year. The TAL, the Regions Parties, and Regions Bank agreed that they should explore a separate settlement of all remaining Open-End Funds claims within the TAL's RMK Funds Claim Authority, and that their settlement negotiations should be mediated by a skilled independent mediator with extensive experience in complex litigation, including securities litigation.

The parties participated in a full-day mediation on December 8, 2012, another on February 13, 2013, and another on April 23, 2013, all with Professor Eric Green of Resolutions, LLC serving as mediator.¹³ Not only was Professor Green highly qualified and experienced, but he had already successfully mediated a settlement of *In re Regions Morgan Keegan Closed-End Fund Litigation*, Civil Action No. 2:07-cv-02830-SHM (the "Closed-End Funds Class Securities Litigation"), which also involved RMK Funds (*i.e.*, the Closed-End Funds) and presented many legal and factual issues similar to those presented in the OEF Class Securities Litigation. The \$24 million Settlement Amount was ultimately established by the parties' mutual acceptance of a final mediator's proposal from Professor Green. After the parties reached agreement in principle on the Settlement Amount, many novel and complex issues concerning the structure and implementation of the settlement remained to be resolved.

In addition to the counsel who represented the TAL since June of 2008 (Cabaniss, Johnston, Gardner, Dumas & O'Neal, LLP), the TAL engaged the services of an independent consulting expert, Jonathan B. Marks,¹⁴ during the settlement negotiations and final mediation to assist the TAL and his counsel with evaluation of the advisability, reasonableness, adequacy, and structure of the Settlement, including the Settlement Amount. The TAL also engaged the services of a national accounting firm, BKD, LLP,¹⁵ with extensive experience in forensic accounting and litigation support, to assist the TAL and his counsel with loss and damage calculations, models, analyses, and evaluations.

¹¹ 15 U.S.C. §§ 77(p)(b) and 15 U.S.C. §§ 78bb(f)(1)(A).

¹² All of the corporate defendants in the OEF Class Securities Litigation are also defendants in the OEF Derivative Litigation, but the Open-End Funds are only nominal defendants in the OEF Derivative Litigation because it is brought for their benefit.

¹³ Professor Green graduated from Harvard Law School in 1972, clerked for Justice Benjamin Kaplan, Massachusetts Supreme Judicial Court, and became a partner with the law firm Munger, Tolles & Olson and then an Attorney Advisor to the Regional Director of the Federal Trade Commission. Professor Green specializes in mediating and arbitrating complex legally-intensive multi-party cases, including securities cases, and was instrumental in the establishment of the Center for Public Resources (now the International Institute for Conflict Prevention and Resolution) in New York, CEDR in London and the mediation program in Hong Kong. Professor Green was awarded the Lifetime Achievement Award from the American College of Civil Trial Mediators and the James F. Henry Award for outstanding contributions to the field of ADR in 2010. Professor Green was recently named by The International "Who's Who Legal" in Commercial Mediation as the leading US-based mediator.

¹⁴ Mr. Marks graduated *cum laude* in 1972 from Harvard Law School, where he was an Editor and the President of the *Harvard Law Review*. Following law school, Mr. Marks was a research fellow at Yale Law School and an Assistant United States Attorney for the District of Columbia. Later in private practice, Mr. Marks was a partner in the Munger, Tolles & Olson law firm in Los Angeles. For over 30 years, Mr. Marks has served as a mediator and arbitrator in complex litigation, specifically including securities litigation and securities class actions. He was the co-founder and chairman of ENDISPUTE, Incorporated, the nation's first provider of a full range of dispute resolutions and management services. After ENDISPUTE merged with Judicial Arbitration And Mediation Services (JAMS), Mr. Marks served as vice-chairman of JAMS/ ENDISPUTE and Chairman of the firm's executive committee.

¹⁵ In connection with regulatory and administrative enforcement actions by state securities regulatory agencies and the federal Securities Exchange Commission involving the RMK Funds and affiliates of the Regions Parties, BKD, LLP, was engaged to provide auditing, data management, loss calculation, accounting, and other services, and BKD, LLP also provided similar services for the victims compensation funds (the States' Fund and the SEC Fair Fund) established as a result of those regulatory and administrative enforcement actions.

The TAL, through his counsel, conducted a thorough investigation relating to the claims, defenses, and underlying events and transactions that are the subject of the Settlement. Before agreeing to the Settlement Amount, the TAL and his counsel had actively participated in mediated settlements involving other RMK Funds claims within the TAL's RMK Funds Claim Authority that were asserted in class actions prosecuted by experienced court-appointed class counsel against defendants that included the Regions Parties and Morgan Keegan. This participation included mediation sessions on October 27-28, 2011, and April 26, 2012, before Professor Green in the Closed-End Funds Class Securities Litigation and a mediation on August 20, 2012, before retired Judge Daniel Weinstein of the Weinstein Mediation Center in *In re Regions Morgan Keegan ERISA Litigation*, Case No. 2:08-cv-02192-SHM-dkv (the "ERISA Litigation"). The TAL and his counsel consulted extensively with class counsel in those actions concerning the evaluation of claims and settlement proposals, and the TAL and his counsel studied documents, data, analyses, legal research and briefs, testimony, and expert reports obtained or produced in connection with those actions and mediations. The TAL and his counsel also met with the Director of the Alabama Securities Commission and his staff on multiple occasions concerning administrative and regulatory enforcement proceedings brought by the Alabama Securities Commission and the securities regulatory authorities of other states against affiliates of RFC in connection with the RMK Funds. Finally, the TAL and his counsel had communicated and consulted frequently with Class Counsel in the OEF Class Securities Litigation and counsel in the OEF Derivative Litigation.

The TAL and his counsel reviewed and analyzed, among other things: (i) trust files and other documentation relating to more than 1,600 of the TAL Accounts; (ii) orders, reports and other information concerning the administrative enforcement proceedings brought by the U.S. Securities and Exchange Commission, multiple state securities regulatory agencies, and the Financial Industry Regulatory Authority related to the RMK Funds, including documents used in certain of those proceedings and deposition transcripts of employees; (iii) research reports issued by financial analysts concerning the Open-End Funds and securities held in the Open-End Funds' portfolios; (iv) prospectuses and other offering documents related to the mortgage-backed and asset-backed securities in which the Open-End Funds invested; (v) the Investment Advisory Service Agreements and the duties and obligations imposed upon MAM under those agreements; and (vi) the applicable law governing the claims and potential defenses.

Proposed Settlement Of The OEF Class Securities Litigation and the OEF Derivative Litigation. After the TAL, the Regions Parties, and Regions Bank negotiated the Settlement Agreement, the Lead Plaintiffs in the OEF Class Securities Litigation and the OEF Derivative Litigation filed motions on January 22, 2015, seeking approval by the Tennessee Federal Court of a settlement of those cases. Because the TAL had already entered into a separate settlement for the Settlement Accounts, the Settlement Accounts will be excluded from the settlement of the OEF Class Securities Litigation. However, Settlement Accounts that still held Open-End Funds shares on May 29, 2009 (when the Open-End Funds formally liquidated), will remain eligible to receive distributions from the settlement fund that is to be created in the OEF Derivative Litigation if that proposed settlement is approved by the Tennessee Federal Court.

Based on all information now available, the TAL believes that the Settlement for the Settlement Accounts collectively results in a recovery of a greater percentage of their uncompensated losses from Open-End Funds investments than would have resulted from continued participation in the OEF Class Securities Litigation or participation in the proposed settlement of that litigation. RFC, which is a party to both settlements and participated in the negotiation of both settlements, has stated affirmatively to the Court that "this Settlement compares favorably for the TAL and the [TAL] Accounts to RFC's . . . other settlements of claims similar to the Released Claims."

3. Why is there a Settlement?

Progress in the OEF Class Securities Litigation had stalled by the Fall of 2012. Key motions had been pending for many months without action, and some for well over a year. The Tennessee Federal Court's 2010 dismissal of all claims under the Securities Exchange Act of 1934 had effectively removed all claims asserted for "holders" of Open-End Funds shares owned or held between specified dates, and had limited the remaining claims to shares purchased between December 6, 2004, and December 6, 2007. Many Open-End Funds shares held by Settlement Accounts were purchased before December 6, 2004 and after December 6, 2007. Although Lead Plaintiffs and Class Counsel filed a motion asking the Tennessee Federal Court for permission to file an amended complaint asserting new claims, the court had not ruled on that motion.

Also, the experience of the TAL and his counsel with the 2012 mediations and settlements in the Closed-End Funds Class Securities Litigation and the ERISA Litigation suggested to the TAL that he could likely secure a more favorable net result for the Settlement Accounts' Open-End Funds claims by negotiating separately and directly with the Regions Parties and Regions Bank. If nothing else, such a separate settlement would avoid the diversion of a large portion of any settlement amount to pay Class Counsel's fees and expenses. The settlements of both the Closed-End Funds Class Securities Litigation and the ERISA Litigation resulted in an award of thirty percent (30%) of the settlement amount to Class Counsel in those actions for attorneys' fees plus substantial litigation expenses, which, together with the cost of settlement

administration (mainly payments to a third-party Settlement Administrator), are subtracted from the settlement amount before any funds are distributed to class members.

Finally, the TAL perceived in 2012 that favorable rulings by the Court in the TAL Proceeding on issues concerning Regions Bank's obligations to pay fees and expenses of the TAL and his counsel incurred for pursuing claims within the TAL's RMK Funds Claim Authority might present an opportunity for the TAL to enhance recovery for the Settlement Accounts by negotiating a separate settlement with the Regions Parties and Regions Bank.

The TAL believes the Settlement is in the best interest of the Settlement Accounts.

B. WHO CAN PARTICIPATE IN THE SETTLEMENT

4. How do I know if an Account in which I might have an interest is part of the Settlement?

This Account (as listed in the enclosed cover letter) has been identified as a Settlement Account that is part of the Settlement.

5. Are there exceptions to being included in the Settlement?

Yes. "Removed Settlement Accounts" are excluded from the Settlement. A Removed Settlement Account is a Settlement Account that, pursuant to a Removed Settlement Account Order by the Court, becomes removed (i) from the TAL's appointment, authority, and responsibility and the TAL Proceeding in its entirety; (ii) from Regions Bank's responsibility under the TAL Proceeding Orders and the TAL Proceeding in its entirety; and (iii) from this Settlement; and with respect to which Settlement Account the TAL and Regions Bank are relieved from liability under the TAL Proceeding Orders and in relation to the TAL Proceeding in its entirety. If a Settlement Account becomes a Removed Settlement Account before a Final Approval Order approving the Settlement becomes Final, then the Distribution Amount allocated to that Removed Settlement Account by the Plan of Allocation will be subtracted from the Settlement Amount, because no Distribution Amount will be paid to that Removed Settlement Account. As of the date of this Notice, only three Settlement Accounts have become Removed Settlement Accounts, and the reduction to the \$24 million Settlement Amount resulting from their removal will be less than \$40,000 based on the proposed Plan of Allocation.

This Account was not a Removed Settlement Account at the time of mailing of this Notice.

6. What if I am still not sure if I have an interest in this Settlement?

If you still have questions about whether This Account (as identified in the enclosed cover letter) is included in the Settlement or about whether you have an interest in This Account, you can ask for free help. For questions about whether This Account is included in the Settlement, contact the TAL at: (800) 253-4248 (toll free telephone), trustee@rmklawsuit.com (email); or P.O. Box 830612, Birmingham, Alabama 35283-0612 (mail). For questions about **your interest** in This Account, contact:

Regions Trust Account Updates
c/o Maynard, Cooper & Gale, PC
1901 6th Avenue North, Suite 2400
Birmingham, AL 35203
Phone: (855) 501-9793
Email: Updates@maynardcooper.com

C. THE SETTLEMENT BENEFITS—WHAT THIS ACCOUNT OR ITS ACCOUNT SUCCESSORS GET

7. What does the Settlement provide?

In exchange for the TAL's release of the Settlement Accounts' Released Claims against the Released Parties (See Question 11) and other terms of the Settlement Agreement, the Regions Parties agreed to pay \$24 million to a Court-approved Settlement Administrator for distribution to the Final Settlement Accounts.¹⁶ The Settlement Amount is subject to reduction only as follows: If any Settlement Account becomes a Removed Settlement Account in accordance with Subsection 2.1.1 of the Settlement Agreement before the Final Approval Order becomes Final, then the Distribution Amount(s) allocated to such Removed Settlement Account(s) by the Plan of Allocation will be subtracted from the

¹⁶ The "Final Settlement Accounts" are the Settlement Accounts minus any Removed Settlement Accounts.

Settlement Amount. The Settlement Amount cannot be reduced by or for any other amounts, including, but not limited to, attorneys' fees and expenses or any costs and expenses of administering or implementing the terms of the Settlement.

Rights in the OEF Derivative Litigation. A derivative suit asserts claims of a corporation, in this case the Open-End Funds, not claims of individual shareholders, and is brought by one or more shareholders on behalf of the corporation itself. Some Settlement Accounts still held interests in the Open-End Funds when they liquidated in May of 2009. The rights and interests of those Settlement Accounts in or against the Open-End Funds that exist or may arise by or from ownership of Open-End Fund shares at the time the Open-End Funds formally liquidated in May of 2009, including, but not limited to, any right to receive distributions or dividends from any recovery on behalf of the Open-End Funds in the OEF Derivative Litigation are called "Liquidating Shareholder Interests." Any Liquidating Shareholder Interests of Settlement Accounts, including any rights to receive dividends or distributions from amounts recovered by or for the Open-End Funds in the OEF Derivative Litigation, are not affected by this Settlement.

8. How much will the payment to This Account or its Account Successor(s) be?

Distributions to Settlement Accounts will be calculated under a Court-approved Plan of Allocation. The Special Master and the Court have preliminarily approved the proposed Plan of Allocation that is described at Question 29. Using that proposed Plan of Allocation, the Distribution Amount allocated to This Account is **estimated** to be the amount shown in the enclosed cover letter. Parties With Standing may object to the proposed Plan of Allocation by following the procedure described at Question 18. The Special Master will consider objections to the proposed Plan of Allocation at the Fairness Hearing and make recommendations to the Court. The Court will consider any timely objections to the proposed Plan of Allocation at the Final Approval And Final Discharge Hearing.

9. How can This Account or its Account Successors get a payment?

If the Settlement and proposed Plan of Allocation are approved, neither This Account nor its Account Successor(s) will need to file a claim to receive a payment. If This Account is still open at Regions Bank, then the Distribution Amount (estimated in the enclosed cover letter) will be deposited into This Account. If This Account is no longer at Regions Bank, then the Distribution Amount (estimated in the enclosed cover letter) will be apportioned among the Account Successor(s) of This Account (if more than one) based on the percentage interest of each Account Successor, and each Account Successor will be sent a check for the apportioned amount.

If This Account is or becomes a "Legacy Account" (defined at p. 5), then you must inform Regions Bank of any corrections or changes (now and in the future) to the name(s), status, relative shares, address(es), and contact information for the Account Successor(s) of This Account. Information about how to do this is provided at the TAL's website (www.rmklawsuit.com) or can be obtained by contacting:

Regions Trust Account Updates
c/o Maynard, Cooper & Gale, PC
1901 6th Avenue North, Suite 2400
Birmingham, AL 35203
Phone: (855) 501-9793
Email: Updates@maynardcooper.com

Failure to provide correct and updated information could cause payments from the Settlement for This Account to be misdirected or permanently lost.

Payment of the Settlement Amount will be made by a Court-approved Settlement Administrator, not by the TAL. The Court-approved Settlement Administrator is Garden City Group, LLC, and its contact information is as follows: Regions Bank Trustee ad Litem Settlement, c/o Garden City Group, PO Box 9349, Dublin, OH 43017-4249 (mailing address); 877-940-9475 (toll-free telephone number); RegionsBankTALSettlement@gardencitygroup.com (email address).

10. When will payment be made?

Payment is conditioned on several things, including the Court's Final Approval Order approving the Settlement (including the Plan Of Allocation) becoming Final and no longer subject to any appeals. Please be patient.

11. What is being given up in exchange for the payment?

When the Final Approval Order and the TAL Final Discharge Order become Final, and in exchange for payment of the Final Settlement Amount to the Final Settlement Accounts or their Account Successor(s), the TAL will release all

Released Claims (as defined below) with respect to each of the Final Settlement Accounts (and their Account Successor(s), if any) against the Released Parties (as defined below).

“Released Claims” include all claims, actions, causes of action, rights, and remedies, whether known or unknown, that are within the TAL’s RMK Funds Claim Authority with respect to each or any of the Final Settlement Accounts, separately and severally, arising in any connection with ownership of the Open-End Funds, whether based on securities laws or otherwise, including, but not limited to, any and all past, present and future claims, actions, causes of action, rights and remedies (including compensatory and punitive damages), or any other damages, awards, equitable, legal, and administrative relief, interest, demands or rights that are based upon, related to, or connected with, directly or indirectly, ownership of the Open-End Funds, including a breach of contract claim, except that Released Claims specifically exclude: Liquidating Shareholder Interests; ERISA Claims; Closed-End Fund Claims; SEC Fair Fund Claims; and States’ Fund Claims. Claims against any party that are based upon Regions Bank’s state law fiduciary duties as a fiduciary for Accounts, and which can be or could have been asserted directly by a person or entity to whom those state law fiduciary duties are or were owed, are not and never have been within the TAL’s RMK Funds Claim Authority, and thus are not Released Claims. Any Liquidating Shareholder Interests of any Settlement Accounts, including any rights to receive dividends or distributions from amounts recovered by or for the Open-End Funds in the OEF Derivative Litigation, are excluded from Released Claims.

“Released Parties” means Regions Bank, in any and all capacities; RFC; MAM; MK Holdings, Inc.; Morgan Keegan; the Open-End Funds (except for Liquidating Shareholder Interests); and their respective past, present and future parent corporations, subsidiaries, affiliates, officers, directors, employees, agents, general agents, representatives, attorneys, accountants, heirs, administrators, executors, insurers, predecessors, successors and assigns, including, but not limited to, any of the current or former officers, directors, or employees of any of the foregoing.

12. What does failure to object or acceptance of a payment mean?

A Party With Standing’s failure to object to the Settlement, or negotiation or other acceptance of a Distribution Amount, further confirms that the Party With Standing and the Party With Standing’s Settlement Account are bound by the Settlement and by the TAL’s authority to make the Settlement on behalf of the Settlement Account (and its Account Successor(s)), and also confirms that the recipient of the Distribution Amount agrees to return the Distribution Amount if there is later a determination that the recipient was not entitled to receive the payment.

Checks for Distribution Amounts payable to Account Successors will attach a tear-off remittance advice sheet that includes text substantially the same as, and having the same effect as, the following:

This check is delivered to you as a successor-in-interest of the following account formerly maintained at Regions Bank: __[Account Name] & [AddVantage Number]_____ (“This Account”). The check represents your portion of the amount allocated to This Account under a Settlement Agreement (the “Settlement”) made on behalf of This Account and other Regions Bank accounts by the Trustee ad Litem (the “TAL”) appointed by the Probate Court of Jefferson County, Alabama (the “Court”) to represent This Account and those other Regions Bank accounts in connection with efforts to recover payments for claims covered by the Settlement. The terms of the Settlement, and the allocation of the Settlement amount among all accounts included in the Settlement, have been approved by the Court after an extensive notice and review process. You or other successors-in-interest to This Account should have previously received a written Notice concerning the Settlement, and a copy of the Notice and the Settlement Agreement can be obtained from the Settlement Administrator at _____. Your acceptance of this check further confirms that This Account and you as a successor-in-interest to This Account are bound by the Settlement and by the TAL’s authority to make the Settlement on behalf of This Account; that you are the proper successor-in-interest to This Account who is entitled to receive this payment; and that you agree to return the amount of this check if there is later a determination that you are not the proper successor-in-interest of This Account who is entitled to receive this payment.

13. Can I opt out of the Settlement?

No. The Settlement Agreement does not provide the option to exclude This Account from the Settlement. However, if there is something you do not like about the Settlement, you can object by following the procedure described at Question 18 below.

D. THE LAWYERS REPRESENTING THE TAL

14. Do I have a lawyer in this case?
15. How will the lawyers be paid?

The TAL has retained the law firm of Cabaniss, Johnston, Gardner, Dumas & O'Neal LLP, of Birmingham, Alabama, and other lawyers to represent the TAL in his pursuit of claims on behalf of the Settlement Accounts. The fees and expenses of the TAL and his counsel are being paid by Regions Bank pursuant to orders of the Court in the TAL Proceeding and are subject to review by the Court. Their fees will not be charged to you or to This Account, nor will they be deducted from the Settlement Amount. If you want to be represented by your own lawyer, you may hire one at your own expense.

E. THE FINAL DISCHARGE PETITIONS

16. What is the TAL Final Discharge Petition?

As provided in the Settlement Agreement, the TAL has filed with the Court a TAL Final Discharge Petition that, if granted by the Court, will effectively conclude the TAL's role in the TAL Proceeding, subject to any Winding-Up Responsibilities directed by the Court. The TAL Final Discharge Petition: (a) describes all claims filed, asserted, or pursued by the TAL on behalf of the TAL Accounts pursuant to the TAL's RMK Funds Claim Authority; (b) describes all recoveries obtained on, or other dispositions of, claims filed, asserted, or pursued by the TAL on behalf of the TAL Accounts pursuant to the TAL's RMK Funds Claim Authority; (c) describes any additional reasonably foreseeable activities by the TAL on behalf of the Settlement Accounts or TAL Accounts, if any, that may subsequently be required in order to complete the TAL's execution and discharge of the TAL's RMK Funds Claim Authority; and (d) states affirmatively that the TAL is entitled to and is seeking a full and final discharge and release of the TAL from any and all liability and from any and all further authority and responsibility under the TAL Proceeding Orders in connection with the Final Discharge Accounts, other than any TAL Winding Up Responsibilities for the Final Discharge Accounts expressly reserved, enumerated, and directed by the Court in the TAL Final Discharge Order granting the TAL's Final Discharge Petition.

The Court's approval of the TAL Final Discharge Petition and entry of a TAL Final Discharge Order is a condition of the Settlement. The TAL Final Discharge Petition can be viewed on the TAL's website at www.rmklawsuit.com and a copy can be obtained by contacting the TAL at: (800) 253-4248 (toll free telephone); trustee@rmklawsuit.com (email); or P.O. Box 830612, Birmingham, Alabama 35283-0612 (mail).

17. What is the Regions Bank Final Discharge Petition?

Regions Bank has filed with the Court a Regions Bank Final Discharge Petition requesting that, after implementation and completion of the review and approval process and procedures provided in Section 4 of the Settlement Agreement, the Court grant to Regions Bank a full and final discharge from any and all further responsibility or obligation under the TAL Proceeding Orders in connection with any TAL Accounts, and from any and all further responsibility or obligation with respect to the TAL Proceeding in its entirety, other than any Regions Bank Winding Up Responsibilities expressly reserved, enumerated and directed by the Court with respect to Final Discharge Accounts.

Approval by the Court of the Regions Bank Final Discharge Petition is **not** a condition of the Settlement. The Regions Bank Final Discharge Petition can be viewed on the TAL's website at www.rmklawsuit.com and a copy can be obtained by contacting the TAL at: (800) 253-4248 (toll free telephone); trustee@rmklawsuit.com (email); or P.O. Box 830612, Birmingham, Alabama 35283-0612 (mail).

F. OBJECTING TO THE SETTLEMENT OR THE FINAL DISCHARGE PETITIONS

Parties With Standing can tell the Court that they do not agree with the Settlement or some part of it (for example, the proposed Plan of Allocation), and Parties With Standing can also tell the Court that they do not think that the TAL or Regions Bank should be granted the relief sought in their respective Final Discharge Petitions.

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

If you are a Party With Standing you can object to the Settlement, or any of its terms, including the proposed Plan of Allocation. You may write to the Special Master setting out your objection(s). The Special Master and the Court will consider your views if you file an objection within the deadline and according to the following procedures. To object, you must send a signed letter stating that you object to the proposed Settlement in *In re Regions Bank, dba Regions Morgan Keegan Trust*, Case No. 200853. You must include your name, your address, telephone number, and your signature, as well as the name and account number for This Account. Your letter must state the reasons why you object to the

Settlement or any of its terms, including the proposed Plan of Allocation. Your objection, and any supporting documents, must be mailed or delivered to all the following so that it is **received on or before April 15, 2016**:

SPECIAL MASTER:

Hon. Frank W. Bullock, Jr.
WOMBLE CARLYLE SANDRIDGE
& RICE, LLP
300 N. Greene Street
Greensboro, NC 27401

ATTORNEYS FOR THE TAL:

Crawford S. McGivaren, Jr.
R. Carlton Smyly
CABANISS, JOHNSTON, GARDNER,
DUMAS & O'NEAL LLP
2001 Park Place North, Suite 700
Birmingham, AL 35203

ATTORNEYS FOR REGIONS BANK:

H. Thomas Wells
Cynthia G. Lamar-Hart
MAYNARD, COOPER & GALE, P.C.
1901 6th Avenue North, Suite 2400
Birmingham, AL 35203

ATTORNEYS FOR RFC:

Peter S. Fruin
MAYNARD, COOPER & GALE, P.C.
1901 6th Avenue North, Suite 2400
Birmingham, AL 35203

ATTORNEYS FOR THE GAL:

James C. Barton, Jr.
Alan Mathis
BUTLER SNOW LLP
One Federal Place, Suite 1000
1819 Fifth Avenue North
Birmingham, AL 35203

- 19. How do I tell the Court that I do not think the TAL should be discharged?**
20. How do I tell the Court that I do not think Regions Bank should be discharged?

If you are a Party With Standing you can object to the TAL Final Discharge Petition or the Regions Bank Final Discharge Petition, or both. You may write to the Special Master setting out your objection(s) to the discharge and release of either the TAL or Regions Bank, or both. The Court will consider your views if you file an objection within the deadline and according to the following procedures. To object, you must send a signed letter stating that you object to the discharge of either the TAL or Regions Bank, or both, in *In re Regions Bank, dba Regions Morgan Keegan Trust*, Case No. 200853. You must include your name, your address, telephone number, and your signature, as well as the name and account number for This Account. Your letter must state the reasons why you object to the discharge and release of the TAL or Regions Bank, or both. Your objection, and any supporting documents, must be mailed or delivered to all the following so that it is **received on or before April 15, 2016**:

SPECIAL MASTER:

Hon. Frank W. Bullock, Jr.
WOMBLE CARLYLE SANDRIDGE
& RICE, LLP
300 N. Greene Street
Greensboro, NC 27401

ATTORNEYS FOR THE TAL:

Crawford S. McGivaren, Jr.
R. Carlton Smyly
CABANISS, JOHNSTON, GARDNER,
DUMAS & O'NEAL LLP
2001 Park Place North, Suite 700
Birmingham, AL 35203

ATTORNEYS FOR REGIONS BANK:

H. Thomas Wells
Cynthia G. Lamar-Hart
MAYNARD, COOPER & GALE, P.C.
1901 6th Avenue North, Suite 2400
Birmingham, AL 35203

ATTORNEYS FOR RFC:

Peter S. Fruin
MAYNARD, COOPER & GALE, P.C.
1901 6th Avenue North, Suite 2400
Birmingham, AL 35203

ATTORNEYS FOR THE GAL:

James C. Barton, Jr.
Alan Mathis
BUTLER SNOW LLP
One Federal Place, Suite 1000
1819 Fifth Avenue North
Birmingham, AL 35203

The Special Master will receive and forward to the Court any timely objections to the TAL Final Discharge Petition or to the Regions Bank Final Discharge Petition. Any objections to the Final Discharge Petitions will be considered by the Court at the Final Approval And Discharge Hearing to be scheduled by the Court.

G. THE FAIRNESS HEARING

The Special Master will hold a hearing to decide whether to recommend that the Court give final approval to the proposed Settlement. If you are a Party With Standing, you may attend, and you may ask to speak, but you do not have to do so.

- 21. When and where will the Special Master have the Fairness Hearing to decide whether to recommend that the Court approve the Settlement?**

The Special Master will hold a Fairness Hearing at **9:00 a.m. on April 26, 2016**, in the Courtroom of Judge Alan King, First Floor, Jefferson County Courthouse, 716 North Richard Arrington Jr. Blvd., Birmingham, AL 35203. At this hearing,

the Special Master will consider, and receive argument on, any and all timely objections to the Settlement, including the proposed Plan of Allocation, and then will make findings and recommendations to the Court concerning the fairness, reasonableness, and adequacy of the Settlement, including the proposed Plan of Allocation. If the status of any objector as a Party With Standing is disputed, then the Special Master will make a finding and recommendation as to whether such objector is a Party With Standing, and include that finding and recommendation with the Special Master's Final Report And Recommendations submitted to the Court. The Special Master will also receive and forward to the Court for its consideration any timely objections to the TAL Final Discharge Petition or to the Regions Bank Final Discharge Petition.

The Special Master will take into consideration any written objections submitted in accordance with the instructions set out in Question 18 above. The Special Master also may listen to people who have properly indicated, within the deadline identified above, an intention to speak at the Fairness Hearing, but decisions regarding the conduct of the Fairness Hearing will be made by the Special Master. See Question 23 for more information about speaking at the Fairness Hearing. **You should be aware that the Special Master may change the date, time, or location of the Fairness Hearing without another notice being mailed. The TAL will post any change in the date, time, or location of the Fairness Hearing on the TAL's website (www.rmklawsuit.com). If you want to come to the hearing, you should check with the TAL or check the TAL's website before coming to be sure that the date and/or time has not changed.**

Following the Fairness Hearing, and after receiving the Special Master's Final Report And Recommendations, the Court will hold a Final Approval and Final Discharge Hearing to decide whether to finally approve the Settlement and grant a final discharge and release to the TAL. The Court will also decide whether to grant a final discharge and release to Regions Bank with respect to the TAL Proceeding. If you submit a written objection in accordance with the instructions set out in Questions 18-20 above, then you will be provided with notice of the date, time, and location of the Final Approval And Final Discharge Hearing. See Question 26 for more information about speaking at the Final Approval And Discharge Hearing.

We do not know how long these decisions will take.

22. Do I have to come to the Fairness Hearing?

No. But, Parties With Standing are welcome to come at their own expense. You do not need to appear at the Fairness Hearing or take any other action to indicate your approval. If you submit an objection, you do not have to come to the Fairness Hearing to talk about it. As long as you are a Party With Standing and you filed and sent your written objection on time, the Special Master will consider it. Your own lawyer may attend at your expense, but it is not necessary.

23. May I speak at the Fairness Hearing?

If you are a Party With Standing and you object to the Settlement, you may ask the Special Master for permission to speak at the Fairness Hearing. To do so, you must include with your objection (see Question 18 above) a statement stating that it is your "Notice of Intention to Appear in *In re Regions Bank, dba Regions Morgan Keegan Trust*, Case No. 200853." Parties With Standing who intend to object to the Settlement or the proposed Plan of Allocation and desire to present evidence at the Fairness Hearing must also include in their written objections the identity of any witness they may call to testify and any exhibits they intend to introduce into evidence at the Fairness Hearing. You cannot speak at the Fairness Hearing if you have not provided written notice of your objection and intention to speak at the Fairness Hearing in accordance with the procedures described in Questions 18 and 23.

H. THE FINAL APPROVAL AND FINAL DISCHARGE HEARING

After the Fairness Hearing, the TAL, the Regions Parties, and Regions Bank will ask the Court to schedule a Final Approval And Final Discharge Hearing for the Court to decide whether to grant final approval to the Settlement and whether to grant the relief sought in the TAL Final Discharge Petition and the Regions Bank Final Discharge Petition.

24. When and where will the Court decide whether to approve the Settlement and whether to discharge the TAL and Regions Bank?

Following the Fairness Hearing, the Special Master will submit to the Court, the TAL, the GAL, the Regions Parties, and Regions Bank, a final report setting out the Special Master's findings and recommendations concerning the fairness, reasonableness, and adequacy of the Settlement, including the proposed Plan of Allocation. The Special Master will also separately forward to the Court any timely objections to the Final Discharge Petitions received by the Special Master.

The TAL, the Regions Parties, and Regions Bank will then jointly petition the Court to enter an order setting a Final Approval And Final Discharge Hearing, to be held not less than forty-five (45) days after the order setting the hearing, to consider (a) whether the Court should enter a Final Approval Order approving the Settlement; (b) whether the Court should enter a TAL Final Discharge Order granting the relief requested in the TAL Final Discharge Petition, including a final discharge and release of the TAL; and (c) whether the Court should enter a Regions Bank Final Discharge Order granting the relief requested in the Regions Bank Final Discharge Petition, including a final discharge and release of Regions Bank with respect to the TAL Proceeding.

Promptly after entry of the order setting the Final Approval And Final Discharge Hearing, the TAL will mail to the GAL, and to everyone who submitted a timely written objection in response to this Notice, a copy of that order and the Special Master's final report setting out the Special Master's findings and recommendations.

25. Do I have to come to the Final Approval And Final Discharge Hearing?

No. But, Parties With Standing are welcome to come at their own expense. You do not need to appear at the Final Approval And Final Discharge Hearing or take any other action to indicate your approval. If you submit an objection, you do not have to come to the Final Approval And Final Discharge Hearing to talk about it. As long as you are a Party With Standing and you filed and sent your written objection on time, the Court will consider it. Your own lawyer may attend at your expense, but it is not necessary.

26. May I speak at the Final Approval And Final Discharge Hearing?

If you are a Party With Standing and you object to the Settlement or to either or both of the Final Discharge Petitions, you may ask the Court for permission to speak at the Final Approval And Final Discharge Hearing. To do so, you must include with your objection (see Questions 18-20 above) a statement stating that it is your "Notice of Intention to Appear in *In re Regions Bank, dba Regions Morgan Keegan Trust*, Case No. 200853." Parties With Standing who intend to object to the Settlement (including the Plan of Allocation), or to one or both of the Final Discharge Petitions, and desire to present evidence at the Final Approval And Final Discharge Hearing must also include in their written objections the identity of any witness they may call to testify and exhibits they intend to introduce into evidence at the Final Approval And Discharge Hearing. You cannot speak at the Final Approval And Final Discharge Hearing if you have not provided written notice of your objection and intention to speak at the Final Approval And Final Discharge Hearing in accordance with the procedures described in Questions 18-20 and 26.

I. IF YOU DO NOTHING

27. What happens if I do nothing at all?

If you do nothing and This Account is a Settlement Account, then This Account and its Account Successor(s) (if any) will participate in the Settlement as described in this Notice if the Settlement is approved, and This Account or its Account Successor(s) will receive a payment as described in Questions 8-9. The TAL will have released all Released Claims of This Account (whether or not This Account has closed and become a Legacy Account) that are within the TAL's RMK Funds Claim Authority against all of the Released Parties. In addition, you will be deemed to have no objection to the TAL Final Discharge Petition and the Regions Bank Final Discharge Petition.

J. GETTING MORE INFORMATION

28. Are there more details about the Settlement and the Final Discharge Petitions?

This Notice summarizes the proposed Settlement, the TAL Final Discharge Petition, and the Regions Bank Final Discharge Petition. More details are in the Settlement Agreement and in the two Final Discharge Petitions. You may review the Settlement Agreement and the Final Discharge Petitions on the TAL's website at www.rmklawsuit.com, and you can contact the TAL at (800) 253-4248 (toll free telephone); trustee@rmklawsuit.com (email); or by writing to Trustee ad Litem, P.O. Box 830612, Birmingham, Alabama 35283-0612 to request copies.

Please Do Not Call the Court with Questions

K. PLAN OF ALLOCATION

29. How will This Account's payment be calculated?

This Account's Distribution Amount will be calculated using the Plan of Allocation as finally approved by the Court. The purpose of the Plan of Allocation is to distribute the Settlement Amount equitably to those Settlement Accounts who still have uncompensated economic losses as a result of investing in the Open-End Funds.

The Special Master reviewed the proposed Plan of Allocation described below and recommended that the Court preliminarily approve it. The Court accepted the Special Master's recommendation and preliminarily approved the proposed Plan of Allocation. Nevertheless, this proposed Plan of Allocation remains subject to modification by the Court after the Special Master and the Court have considered any objections submitted in response to this Notice and any arguments presented at the Fairness Hearing or the Final Approval And Final Discharge Hearing.

Notice of any order modifying the proposed Plan of Allocation will be posted on the TAL's website at www.rmklawsuit.com and provided as may otherwise be directed by the Court.

PLAN OF ALLOCATION

The Plan of Allocation's purpose is to allocate the Settlement Amount equitably among the Settlement Accounts, taking into account relevant considerations such as net losses from Open-End Funds investments, dividend income received from Open-End Funds investments, differences in the legal claims available to Settlement Accounts, and the portion of a Settlement Account's loss that has already been paid through distributions from other settlements.

Summary

Definitions of capitalized terms used in this Summary are provided immediately following this Summary. A step-by-step formula showing the Plan of Allocation's calculation of **Distribution Amounts** for Settlement Accounts is then provided. Finally, the step-by-step formula is followed by explanations for some key elements of the Plan of Allocation.

Only losses on **Eligible Shares** are considered. Eligible Shares are Open-End Funds shares that a Settlement Account held on January 1, 2007, plus any additional shares later purchased or otherwise acquired. Analysis of Open-End Funds share prices over time shows no consistent pattern of decline before January 1, 2007, and any losses on shares sold or redeemed before that date are likely attributable to normal market fluctuations unrelated to the alleged misconduct that led to the Settlement.

For each Settlement Account, an **Eligible Loss** is calculated by determining the Settlement Account's **Share Price Trading Loss** on its Eligible Shares and then subtracting any **Dividend Adjustment** and any **Limited Claim Adjustment**.

Once the Settlement Account's Eligible Loss is determined, the Settlement Account's **Recognized Claim Amount** is then calculated by subtracting the Settlement Account's **Recovered Amount** from its Eligible Loss.

A Settlement Account's **Distribution Amount** (the amount of the actual payment) is then provisionally calculated by dividing the total Recognized Claim Amounts of all Settlement Accounts into the Settlement Account's individual Recognized Claim Amount to determine the Settlement Account's **Distribution Percentage**, and then multiplying the Settlement Account's Distribution Percentage times the **Final Settlement Amount** to determine the Settlement Account's provisional Distribution Amount.

Finally, a Settlement Account's provisional Distribution Amount is added to its Recovered Amount and the sum is then compared to 60% of the Settlement Account's Share Price Trading Loss (the "**Total Recovery Cap**"). Any excess over Total Recovery Cap is subtracted and redistributed *pro rata* among Settlement Accounts whose Distribution Amounts plus their Recovered Amounts are still less than their Total Recovery Cap.

All Settlement Accounts are guaranteed a minimum Recognized Claim Amount of at least \$100. The minimum Distribution Amount will depend on the final Distribution Percentage.

Definitions

"**Final Settlement Amount**" means the \$24 million Settlement Amount, plus any interest accruing after the Payment Date (as defined in the Settlement Agreement), minus the Distribution Amount allocated to any Settlement Account that is

removed from the Settlement and becomes a Removed Settlement Account (as provided in the Settlement Agreement). Neither the Settlement Amount nor the Final Settlement Amount will be reduced for any attorneys' fees or expenses or any costs of administering or implementing the Settlement.

"Eligible Shares" means all Open-End Funds shares held by a Settlement Account on January 1, 2007, plus any additional Open-End Fund shares later purchased or acquired, including shares purchased through reinvestment of Dividends.

"Share Price Trading Loss" means the price at which Eligible Shares were purchased or acquired minus the price at which they were sold or redeemed. For Settlement Accounts with multiple Open-End Fund share purchase and sale transactions on different dates, the Share Price Trading Loss is calculated using the "First In, First Out" principle.

"Dividends" means all dividends received on Eligible Shares, regardless of whether those dividends were immediately reinvested in additional Open-End Funds shares.

"Benchmark Index" means the Barclays (formerly Lehman Brothers) Ba U.S. High Yield Bond Index for the High Income Fund; the Barclays (formerly Lehman Brothers) Intermediate U.S. Aggregate Index for the Intermediate Bond Fund; and the Barclays (formerly Lehman Brothers) 1 - 3 Year Government/Credit Index for the Short Term Bond Fund.

"Index Return" means the price at which an Eligible Share was purchased or acquired multiplied by the percentage change in the applicable Benchmark Index between the date the share was purchased or acquired and the date the share was sold or redeemed.

"Dividend Adjustment" means any excess of the Dividends received on Eligible Shares over the Index Return on those Eligible Shares.

"Limited Claim Adjustment" means twenty percent (20%) of the Share Price Trading Loss, as reduced by any Dividend Adjustment, on shares purchased before December 6, 2004, or after December 6, 2007.

"Eligible Loss" means the Share Price Trading Loss minus any Dividend Adjustment and any Limited Claim Adjustment.

"Recovered Amount" means the total of all amounts a Settlement Account has recovered under other settlements for its Open-End Funds losses, including, but not limited to, distributions from the States' Fund, distributions from the SEC Fair Fund, and distributions from the ERISA Litigation settlement. For amounts recovered from settlements that included a Settlement Account's losses on both Open-End Funds shares and Closed-End Funds shares, the Recovered Amount includes only a prorated portion that is proportionate to the Settlement Account's Open-End Funds losses compared to its Closed-End Funds losses as determined by the loss calculation methodology used for the applicable settlement and based on the best available information.

"Recognized Claim Amount" means a Settlement Account's Eligible Loss minus any Recovered Amount, but each Final Settlement Account is deemed to have a Recognized Claim Amount of at least One-Hundred Dollars (\$100).

"Distribution Percentage" means a Settlement Account's Recognized Claim Amount divided by the total Recognized Claim Amounts of all Settlement Accounts.

"Total Recovery Cap" is sixty percent (60%) of a Settlement Account's total Share Price Trading Loss. The sum of a Settlement Account's Recovered Amount and its Distribution Amount cannot exceed the Total Recovery Cap, except that the Total Recovery Cap will not reduce any Settlement Account's Distribution Amount to an amount less than the Final Settlement Amount multiplied by a Distribution Percentage calculated using the \$100 minimum Recognized Claim Amount.

Step-By-Step Formula

Step 1 - Identify the Settlement Account's **"Eligible Shares"**

Step 2 - Calculate the Settlement Account's **"Share Price Trading Loss"**

Start with: The purchase or acquisition price(s) of all Eligible Shares

- *Subtract* – The sales/redemption price(s) of all Eligible Shares (calculated using the "First In, First Out" principle)

Equals = Share Price Trading Loss

Step 3 - Calculate the Settlement Account's "**Eligible Loss**"

Start with: The Settlement Account's Share Price Trading Loss

- *Subtract* – any Dividend Adjustment (any portion of Dividends received that exceeds Index Return)
- *Subtract* – any Limited Claim Adjustment (20% reduction for shares purchased before December 6, 2004 or after December 6, 2007)

Equals = Eligible Loss

Step 4 - Calculate the Settlement Account's "**Recognized Claim Amount**"

Start with: The Settlement Account's Eligible Loss

- *Subtract* any Recovered Amount, including
 - prorated recovery (if any) from States' Fund distributions
 - prorated recovery (if any) from SEC Fair Fund distributions
 - prorated recovery (if any) from ERISA Litigation settlement
 - prorated recovery (if any) from other settlements

Equals = Recognized Claim Amount (each Settlement Account is deemed to have a \$100 minimum Recognized Claim Amount)

Step 5 - Calculate the Settlement Account's *provisional* "**Distribution Amount**"

Start with: The Settlement Account's Recognized Claim Amount

÷ *Divide* by the total of all Recognized Claim Amounts of all Settlement Accounts to calculate the Settlement Account's **Distribution Percentage**

x *Multiply* the Settlement Account's Distribution Percentage times the Final Settlement Amount

Equals = the provisional Distribution Amount

Step 6 - Apply the "Total Recovery Cap" to calculate the *final* "**Distribution Amount**"

Start with: The Settlement Account's provisional Distribution Amount

+ *Add* the Settlement Account's Recovered Amount

- *Subtract* any amount by which this sum exceeds 60% of the Settlement Account's total Share Price Trading Loss¹⁷

Equals = the final Distribution Amount

Explanations

The Settlement Amount results from the TAL's Settlement of the Settlement Accounts' remaining Released Claims¹⁸ for recovery of the Settlement Accounts' losses from Open-End Funds investments.

The principal category of claims settled includes securities law claims asserted in the OEF Class Securities Litigation. The complaints in that litigation asserted "Purchaser Claims" under the Securities Act of 1933 (the "1933 Act") and "Holder/Seller Claims" ("Holder Claims") under the Securities And Exchange Act of 1934 (the "1934 Act").

Purchaser Claims under the 1933 Act were asserted in the OEF Class Securities Litigation only for Open-End Funds shares purchased during the limited period from December 6, 2004, through December 6, 2007. A substantial number of the Settlement Accounts' Open-End Funds shares were purchased before the start of that period and a lesser but still significant number of those shares were purchased after that period.

Unlike Purchaser Claims, Holder Claims under the 1934 Act were asserted in the OEF Class Securities Litigation for losses on shares that were owned or held during a defined "loss period," regardless of when those shares were purchased. Holder Claims, if successful, would allow recoveries for losses on far more shares than would Purchaser Claims. On the other hand, recovering on Holder Claims under the 1934 Act would require establishing additional (and more difficult) elements of proof and would be subject to more legal barriers than Purchaser Claims.

¹⁷ Application of the Trading Loss Cap will not, however, reduce any Settlement Account's Distribution Amount to an amount less than the Final Settlement Amount multiplied by a Distribution Percentage calculated using the \$100 minimum Recognized Claim Amount.

¹⁸ This Settlement does not affect the OEF Derivative Litigation, which asserts claims on behalf of the Open-End Funds themselves, as opposed to claims of individual investors. A proposed \$15 million settlement of the OEF Derivative Litigation has been reached, but requires approval by the Tennessee Federal Court, which has not yet been granted. Any rights that Settlement Accounts may have to receive any dividends or distributions from the amount recovered for the Open-End Funds as a result of the OEF Derivative Litigation settlement are preserved. Any distributions from that settlement will be made only to persons who still held Open-End Funds shares on May 29, 2009 (when the Open-End Funds liquidated), and Settlement Accounts that held shares on that date will be eligible for any such distributions.

In 2010, the Tennessee Federal Court granted defense motions to dismiss the Holder Claims, but denied motions to dismiss the Purchaser Claims. A motion was later filed seeking permission to file amended versions of the previously dismissed Holder Claims, but the Tennessee Federal Court never ruled on that motion.

Apart from the OEF Class Securities Litigation, the TAL separately filed the TAL Contract Litigation. Like the Holder Claims asserted (and currently dismissed) in the OEF Class Securities Litigation, the TAL Contract Litigation asserts claims based on shares held or owned during a defined loss period, without regard to their purchase date.

Because the Settlement is based on a negotiated compromise of a variety of disputed claims rather than a litigated final judgment on any of those claims, and in order to distribute the Settlement Amount equitably to more Settlement Accounts, the Plan of Allocation adopts a Holder Claims model to determine the Eligible Shares for which losses are calculated in determining a Settlement Account's Eligible Loss. All shares held on January 1, 2007, or purchased or acquired after that date, are Eligible Shares. January 1, 2007, is used as the start date for determining Eligible Shares because analysis of Open-End Funds share prices over time shows no consistent pattern of decline before January 1, 2007. Any losses on shares sold or redeemed before January 1, 2007, are likely attributable to market fluctuations unrelated to any of the alleged misconduct that led to the Settlement, so those shares are excluded from Eligible Shares. January 1, 2007, is also the start date adopted by the States' Fund and the SEC Fair Fund to determine shares eligible for distributions. This Holder Claims model for determining Eligible Shares results in an allocation for losses on more Open-End Funds shares and a wider distribution of the Settlement Amount among the Settlement Accounts than would result from an allocation limited to shares for which Purchaser Claims were asserted in the OEF Class Securities Litigation (shares purchased between December 6, 2004, and December 6, 2007).

Once Eligible Shares are determined using a Holder Claims model, calculation of the "Eligible Loss" resulting from investments in those Eligible Shares includes a "Dividend Adjustment" that commences at the date the Eligible Shares were originally purchased or acquired. This equitably allocates the Settlement Amount among Settlement Accounts based on their actual total net losses resulting from their investments in Eligible Shares. A separate adjustment (the "Limited Claim Adjustment") is also made to Eligible Losses on Eligible Shares for which only Holder Claims, and no Purchaser Claims, were asserted (shares purchased before December 6, 2004, and after December 6, 2007) to address the fact that recovery on Holder Claims would be more difficult and less certain than recovery on Purchaser Claims.

The Dividend Adjustment

The Open-End Funds paid substantial dividends to shareholders (over \$43 million on Eligible Shares), and most legal remedies available to securities investors require that the dividends they received be accounted for when quantifying recoverable damages. Defendants generally assert that **all** dividends received must be deducted from Share Price Trading Losses when computing recoverable damages.

The Plan of Allocation addresses dividends by comparing the dividends a Settlement Account actually received to the percentage return on investment (the "Index Return") yielded by the Benchmark Indexes to which the Open-End Funds compared themselves in public filings and marketing materials.¹⁹ In the calculation of a Settlement Account's Eligible Loss, the "Dividend Adjustment" reduces the Settlement Account's Share Price Trading Loss only by the limited portion, if any, of the dividends received²⁰ that represents an excess return on investment over and above the Index Return.

The Limited Claim Adjustment

Since the Plan of Allocation uses a Holder Claims model to determine Eligible Shares (and so includes shares for which Purchaser Claims were not asserted), the Limited Claim Adjustment addresses the reduced likelihood of recovery for shares with only Holder Claims, as opposed to Purchaser Claims, by subtracting twenty percent (20%) of the losses on shares purchased before December 6, 2004, or after December 6, 2007, which are the Eligible Shares for which Purchaser Claims were not asserted in the OEF Class Securities Litigation. The effect of the Limited Claim Adjustment is to proportionately increase the portion of the Settlement Amount that is allocated to losses on Open-End Funds shares for which Purchaser Claims were asserted.

¹⁹ Each of the three Open-End Funds compared itself to a different Benchmark Index.

²⁰ Although using a Holder Claims model to determine which shares are Eligible Shares results in an allocation to more Open-End Funds shares and a wider distribution of the Settlement Amount among the Settlement Accounts, in order to more equitably compensate the actual net losses of Settlement Accounts from investments in the Open-End Funds, the Dividend Adjustment considers all dividends received on Eligible Shares, regardless of whether those dividends were received before or after the January 1, 2007, start date for determining Eligible Shares.

Recovered Amounts

Most Settlement Accounts have already recovered payments for losses on their Open-End Funds shares under other settlements, including the States' Fund, the SEC Fair Fund, and the ERISA Litigation. In the OEF Class Securities Litigation, and when the Settlement and the Settlement Amount were negotiated, the defendants asserted their entitlement to an offset or credit for amounts that the Settlement Accounts have already received from other settlements as compensation for Open-End Funds losses.

The amounts of other settlements have not always been distributed to Settlement Accounts in proportion to their Open-End Funds losses. Some Settlement Accounts have already recovered disproportionately more of their Open-End Funds losses through recoveries under other settlements than have other Settlement Accounts. To make distributions of the Settlement Amount more equitable and proportionate to the Settlement Accounts' Open-End Funds losses that have not yet been compensated, the full amounts paid to Settlement Accounts from other settlements (*i.e.*, "Recovered Amounts") are deducted from their Eligible Losses to determine their Recognized Claim Amounts.²¹

Total Recovery Cap

Because not all payments from other settlements have been distributed to Settlement Accounts in proportion to their respective Open-End Funds investment losses, some Settlement Accounts have already recovered a high percentage of their Open-End Funds losses, while other Settlement Accounts have so far recovered only a low percentage of their losses. This Settlement, like all settlements, results in recovery of only a portion of the Settlement Accounts' total uncompensated losses. In order for this Settlement to result in a more equitable and proportionate total recovery for all Settlement Accounts, the Total Recovery Cap limits distributions from the Settlement Amount for Settlement Accounts that have already recovered a high percentage of their Open-End Funds losses through other settlements. This makes more of the Settlement Amount available for distributions to Settlement Accounts that so far have recovered a smaller percentage of their losses.

DO NOT CONTACT THE COURT REGARDING THIS NOTICE

If you have any questions about the Settlement or the Final Discharge Petitions, you may contact the following:

Trustee *ad Litem*
P.O. Box 830612
Birmingham, AL 35283-0612
Phone: (800) 253-4248 (toll free)
Email: trustee@rmklawsuit.com
Website: www.rmklawsuit.com

BY ORDER OF THE PROBATE COURT OF
JEFFERSON COUNTY, ALABAMA

²¹ If the amount distributed to a Settlement Account from another settlement also includes compensation for Closed-End Funds losses in addition to Open-End Funds losses, then that amount is prorated based on the Settlement Account's Open-End Funds losses compared to its Closed-End Funds losses as determined by the loss calculation methodology used for the applicable settlement and based on the best available information. Only the prorated amount from other settlements that is attributable to Open-End Funds losses is included in a Settlement Account's Recovered Amount.

PARTIES WITH STANDING (OPEN ACCOUNTS)

“Parties with Standing” for open (non-Legacy) accounts includes **co-fiduciaries** and, for each type of account listed in the column on the left, the persons or entities identified in the column on the right.

Types of Accounts	Parties with Standing (Types of parties with a fiduciary, ownership or beneficial interest)
Agency irrevocable trust Agency revocable trust Agent for estate administration Agent for guardian/conservator Agent for private foundation Agent for public charity Charitable-misc. agent Charitable-misc. custodian Custodian for individual Custodian for trustee Institutional custody Investment agent-institutional Investment agent-personal trust	Principal
Estate executor	Estate beneficiary(ies)
Guardianship/conservatorship Veterans guardianship	Ward; and guardian of the person, or, if none, party having care or custody of ward
Uniform Gift to Minors Act/Uniform Transfer to Minors Act	Custodian of the UGMA/UTMA
Inherited IRA	Owner (former beneficiary who has inherited)
IRA Roth IRA Roth Conv IRA SEP IRA SAR/SEP IRA Traditional IRA	Owner, and the beneficiary(ies) of any irrevocable designation
ERISA plans Non-qualified employee benefit plans Employee stock ownership plans (ESOPs)	Plan sponsor
Charitable remainder trust	Beneficiary(ies) and charity or charities named as remainder beneficiary(ies); and state attorney general or other state supervisory agency
Charitable lead trust	Beneficiary(ies) (charity or charities) and remainder beneficiary(ies); and state attorney general or other state supervisory agency
Charitable trust misc. or charitable misc. trustee Public charity irrevocable trust	Named charitable beneficiaries; and state attorney general or other state supervisory agency
Irrevocable trust Unfunded life insurance trust	Current beneficiary(ies) and presumptive remainder beneficiary(ies); and supervisory agency for flower, cemetery or perpetual care trusts
Private foundation trustee	Foundation trustees or board of foundation
Special needs trust	Guardian and/or conservator (if any) of the beneficiary with special needs; and beneficiary (if competent); and presumptive remainder beneficiary(ies)
Revocable trust EPA trust	Grantor; and supervisory agency for EPA or funeral trusts