

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT

OSHONYA SPENCER,)
CHARLES STRICKLAND and)
DOUGLAS MCDUFFIE, on behalf of)
themselves and all others similarly situated,)

Plaintiffs,)

v.)

No. 3:03CV1681 (JCH)

3:05cv1681(JCH)

THE HARTFORD FINANCIAL SERVICES)
GROUP, INC., HARTFORD LIFE, INC.,)
HARTFORD LIFE INSURANCE)
COMPANY, HARTFORD ACCIDENT)
AND INDEMNITY COMPANY,)
HARTFORD CASUALTY INSURANCE)
COMPANY, HARTFORD INSURANCE)
COMPANY OF THE MIDWEST and)
HARTFORD FIRE INSURANCE COMPANY,)

Defendants.)

**ORDER PRELIMINARILY APPROVING PROPOSED SETTLEMENT,
AUTHORIZING NOTICE TO THE CLASS AND SETTING FAIRNESS HEARING**

Upon review and consideration of the Stipulated Settlement Agreement and Release, and including its exhibits, dated June 3, 2010 (the "Settlement Agreement"), by and among defendants The Hartford Financial Services Group, Inc., Hartford Life, Inc., Hartford Life Insurance Company, Hartford Accident and Indemnity Company, Hartford Casualty Insurance Company, Hartford Insurance Company of the Midwest and Hartford Fire Insurance Company (collectively, "The Hartford"), and plaintiffs Oshonya Spencer, Charles Strickland and Douglas McDuffie (collectively, "Named Plaintiffs"), and all other persons similarly situated, upon review and consideration of all prior proceedings in this Action, and upon review and consideration of the Motion for Preliminary Approval of the Settlement Agreement and the

Settlement provided for therein, including all papers and arguments submitted with respect to the motion for Preliminary Approval, **IT IS HEREBY ORDERED** as follows:

1. The Court has jurisdiction over the subject matter of this Action and each of the Parties, including, without limitation, the members of the Settlement Class.
2. For purposes of this Order, the Court adopts and incorporates by reference all defined terms as set forth in Settlement Agreement and exhibits thereto.
3. The Court hereby preliminarily approves the Settlement Agreement, and the Settlement provided for therein, and finds: (i) that the proposed Settlement, which includes a cash payment of seventy-two million five hundred thousand dollars (\$72,500,000) (“Monetary Settlement Consideration”) by The Hartford into an escrow account (the “Settlement Fund” or “Qualified Settlement Fund”) for the benefit of the Plaintiffs and the Settlement Class in exchange for dismissal of the litigation with prejudice and dismissal of the Released Claims, as provided for in the Settlement Agreement, resulted from arm’s length negotiations by highly experienced counsel after almost five years of hard-fought litigation, and was concluded only after a full investigation of, and extensive discovery into, the Settlement Class Members’ claims and the defenses thereto; and (ii) that the proposed Settlement provided for by the Settlement Agreement is fair, reasonable and adequate to all members of the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure, sufficient to warrant providing notice of the proposed Settlement to the Settlement Class Members and holding a Fairness Hearing; and, the Court directs the Parties to proceed with the Settlement pursuant to the terms and conditions of the Settlement Agreement and exhibits thereto, subject to this Court’s authority to determine whether to finally approve the Settlement.

4. For the purposes of the Settlement only, the Court hereby certifies the same Class (in two subclasses) that it certified for trial, pursuant to Rule 23(a) and Rule 23(b)(3) of the Federal Rules of Civil Procedure:

“Cost” Subclass: All persons who entered into a settlement with any of The Hartford Property & Casualty Companies between 1997 and the present in which some or all of the settlement amount was to be paid as a structured settlement funded with an annuity from one of The Hartford Life Companies, who had a written contract that, or before entering into the written contract had received a written representation that, made explicit or implicit reference to the “cost” of the settlement or the portion of the settlement being structured or the “cost” of an annuity being used to fund the structure. Excluded from this class are persons who were represented by a plaintiffs’ broker in connection with the settlement.

“Value” Subclass: All persons who entered into a settlement with any of The Hartford Property & Casualty Companies between 1997 and the present in which some or all of the settlement amount was to be paid as a structured settlement funded with an annuity from one of The Hartford Life Companies, who had a written contract that, or before entering into the written contract had received a written representation that, made explicit or implicit reference to the “value” of the settlement or the portion of the settlement being structured or the “value” of an annuity being used to fund the structure. Excluded from this class are persons who were represented by a plaintiffs’ broker in connection with the settlement.

5. The Court finds that the requirements for class certification under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied for settlement purposes for the reasons set forth in its March 10, 2009 order (“Class Certification Order”), and determines that those findings equally apply to the Settlement Class. All persons identified by The Hartford pursuant to Section 5.01 of the Settlement Agreement are presumed to be Settlement Class Members.

6. The Court hereby approves Named Plaintiffs Oshonya Spencer, Charles Strickland and Douglas McDuffie as Class Representatives of the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure and finds that the Class Representatives have and will fairly and adequately protect the interests of the Settlement Class.

7. The Court hereby approves SILVER GOLUB & TEITELL LLP (David S. Golub, Jonathan M. Levine); BERGER & MONTAGUE, P.C. (Peter R. Kahana, Steven L. Bloch); ZUCKERMAN SPAEDER LLP (Carl S. Kravitz, Ellen D. Marcus, Caroline Reynolds); and RISK LAW FIRM (Richard B. Risk, Jr.) as Class Counsel to the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure and finds that Class Counsel have and will fairly and adequately protect the interests of the Settlement Class.

8. The Court finds and hereby orders that the proposed notice program set forth in the Settlement Agreement, including, without limitation, the proposed Notice of Proposed Class Action Settlement to be mailed to Settlement Class Members (“Mail Notice”), the proposed Election to Opt Back In insert (to be sent solely to those persons who previously requested exclusion from the Trial Class pursuant to the Notice of Pendency of Class Action), and the “Publication Notice” (“Mail Notice” and “Publication Notice” are collectively referred to as the “Notices”), which includes the publication of the summary notice and the establishment and maintenance of an internet website (the “Settlement Website”), and both the contents of and plans for dissemination of the Notices to the Settlement Class fully satisfy Rule 23(e) of the Federal Rules of Civil Procedure and the requirements of due process, constitute the best practicable notice under the circumstances to the members of the Settlement Class, provide individual notice to all members of the Settlement Class who or which can be identified through reasonable effort, and provide due and sufficient notice of the matters set forth in the Notices to all persons entitled to such Notice and, therefore, are approved.

9. The Court finds and hereby orders that, because the prior Notice of Pendency of Class Action, dated March 1, 2010, was disseminated by mail and publication less than three months ago, and in accordance with, the direction of the Court, satisfied the requirements of Rule 23 of

the Federal Rules of Civil Procedure and the requirements of due process, constituted the best practicable notice under the circumstances to the members of the Trial Class, which does not differ from the Settlement Class, and provided due and sufficient notice of the matters to all persons entitled to such notice, and because the Notice of Pendency of Class Action provided for an opt-out period which only recently closed on May 3, 2010, there is no need for an additional opt-out period pursuant to Fed. R. Civ. P. 23(e)(4).

10. Pursuant to Federal Rule of Civil Procedure 23(d)(1)(B), the Court shall permit persons who previously opted out of the certified Trial Class in accordance with the Notice of Pendency of Class Action dated March 1, 2010, to withdraw their prior opt out (*i.e.*, request for exclusion) by filing an election as provided for in the Election to Opt Back In insert and otherwise following the procedures set forth in the Settlement Agreement, and notification of this opportunity to withdraw a prior opt out shall be provided in the Mail Notice and Publication Notice.

11. The Court hereby directs that the Mail Notice, together with the Election to Opt Back In insert, and Publication Notice, be provided by Plaintiffs to members of the Settlement Class in accordance with the terms and conditions of the Settlement Agreement; provided, however that the Parties, by agreement, may revise the Notices, the Election to Opt Back In insert and other exhibits in ways that are not material, or in ways that are appropriate to update those documents for the purposes of accuracy. The Mail Notice, including the Election to Opt Back In insert, shall be sent to members of the Settlement Class, by first-class mail, postage prepaid, no later than thirty (30) days following the entry of this Order; provided, however that Class Counsel may extend this date by ten (10) days without further Court approval. No later

than five (5) days after Mail Notice, the Publication Notice shall be published and the Settlement Website shall be activated.

12. A toll-free telephone number shall be maintained by the Claims Administrator, to provide actual information concerning the Settlement to Settlement Class Members, as provided for in the Settlement Agreement.

13. Pursuant to the Class Action Fairness Act of 2005 (“CAFA”), 28 U.S.C. § 1715, not later than ten (10) days after this Settlement Agreement is filed with the Court in conjunction with the Motion for Preliminary Approval, The Hartford shall serve upon the Attorney General of the United States and the respective Insurance Commissioners of each and every state in which Settlement Class Members reside, or the appropriate State officials, notice of this proposed settlement, consisting of: (1) a copy of the original and all amended complaints, and any materials filed with such pleadings; (2) notice of any scheduled judicial hearing in this class action; (3) a statement that the right to request exclusion from the class action was previously available and expired on May 3, 2010, and no such right to request exclusion from the class action currently exists; (4) the proposed settlement of the class action; (5) any other settlement or other agreements made between Class Counsel and The Hartford’s Counsel; (6) any final judgment or notice of dismissal; (7) a reasonable estimate of the number of Class Members residing in each state at issue and the estimated proportionate share of the claims of such members to the entire settlement; and (8) any judicial opinion by this Court relating to Settlement Class Member notification, the proposed settlement, any other settlement or settlement agreements between counsel, or any final judgment or notice of dismissal. Within two (2) days of serving the foregoing notices under CAFA, The Hartford shall file with the Court

any and all materials sufficient to demonstrate compliance with the notice requirements of CAFA, and provide copies of such filing to Class Counsel.

14. Prior to the Fairness Hearing, Class Counsel shall cause to be filed with the Court affidavits or declarations of the person(s) under whose general direction the: (i) mailing of the Notice of Proposed Class Action Settlement and Election to Opt Back In insert was effectuated; and (ii) the Publication Notice, including the maintenance of the Settlement Website, was effectuated, demonstrating that such mailing and publication occurred in accordance with this Order.

15. The Court hereby approves The Garden City Group, Inc., or another class action Claims Administrator, to administer the Settlement Notice Plan and claims process, and to otherwise administer the proposed Settlement, pursuant to the terms of the Settlement Agreement. All expenses incurred by the Claims Administrator shall be reasonable, are subject to Court approval, and shall be payable solely from the Settlement Fund.

16. The Court preliminarily determines that the Plan of Allocation, attached to the Settlement Agreement, fairly and adequately addresses the matters of settlement administration and claims submission, and allocation of monetary payments among Settlement Class Members.

17. Subject to the terms of the Settlement Agreement and the direction of the Court, Class Counsel hereby is authorized to establish the escrow account for purposes of the Settlement Fund, as provided for in the Settlement Agreement. After final approval by the Court, the Settlement Fund shall be a Qualified Settlement Fund. The Monetary Settlement Consideration shall be paid into the Escrow Account within thirty (30) days of this Order. The Settlement Fund, including the Gross Settlement Fund and Net Settlement Fund as defined in the Settlement Agreement, shall be deemed and considered to be in *custodia legis* of the Court, and

shall remain subject to the jurisdiction of the Court. As provided for in the Settlement Agreement, the Settlement Fund shall be invested solely in obligations of, or obligations guaranteed by, the United States of America or any of its departments or agencies or in money market funds invested solely in obligations of, or obligations guaranteed by, the United States of America or any of its departments or agencies.

18. No funds may be disbursed from the Gross Settlement Fund or the Net Settlement Fund unless authorized by the Settlement Agreement, and, where required by the Settlement Agreement, approved by the Court. Upon entry of this Order and prior to the entry of the Settlement Order and Final Judgment, the Settlement Fund shall be available to Class Counsel for: the payment of taxes on earnings from, or otherwise in respect of, the Settlement Fund, any costs and expenses related to the calculation or payment of such taxes, and interest payments to The Hartford, as provided for in Section 8 of the Settlement Agreement; and for the payment of notice costs and administration costs, as provided for in Sections 5 and 9 of the Settlement Agreement.

19. Neither The Hartford nor any of the Released Parties shall have any role, liability for, responsibility or obligation whatsoever with regard to the maintenance, preservation, investment, use, adjustment, distribution and/or disbursement of any amount in the Gross Settlement Fund or the Net Settlement Fund except as explicitly provided in the Settlement Agreement.

20. Any award(s) of attorneys' fees and expenses to Class Counsel, may be paid to Class Counsel from the Gross Settlement Fund within fourteen (14) business days of the entry of the Settlement Order and Final Judgment by the Court, or, if not concomitant with the entry of the Settlement Order and Final Judgment by the Court, within fourteen (30) business days of the

entry of the Court's Order(s) awarding Class Counsel fees and expenses, notwithstanding the existence of any timely filed objection thereto, appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to Class Counsel's joint and several obligation to make appropriate refunds or repayments to the Settlement Fund (plus interest at the same net rate as is earned by the Settlement Fund).

21. The Court hereby orders that all proceedings in this Action are stayed until final approval or termination of the Settlement Agreement and the proposed Settlement, except for those matters necessary to obtain and/or effectuate final approval of the proposed Settlement.

22. All Settlement Class Members, and any person(s) actually acting or purporting to act on behalf of any Settlement Class Member, hereby are stayed and enjoined from filing, commencing, prosecuting, pursuing, maintaining or enforcing any Released Claim, including, without limitation, in any individual, class (or putative class), representative or other action or proceeding, directly or indirectly, in any judicial, administrative, arbitral or other forum until final approval or termination of the Settlement Agreement and the Settlement provided for therein; provided, that this stay and injunction shall not apply to individual claims of any member of the Settlement Class who timely and properly excluded themselves from this Action. This stay and injunction is necessary to protect and effectuate the Settlement Agreement and the Settlement provided for therein, this preliminary approval Order, and the Court's ability and authority to effectuate the Settlement Agreement and to enter a Settlement Order and Final Judgment when appropriate, and is ordered in aid of this Court's jurisdiction and to protect its judgments.

23. The Court hereby schedules a hearing on final approval and the entry of the Settlement Order and Final Judgment (the "Fairness Hearing"), to be held on September 21,

2010 at 10:00 a.m. Eastern time, in the courtroom of the Honorable Janet C. Hall, U.S.D.J., at the United States District Court for the District of Connecticut, 915 Lafayette Boulevard, 4th floor, Bridgeport, Connecticut 06604. At the Fairness Hearing, the Court will consider and determine whether: (i) the Settlement is fair, reasonable and adequate and should be approved by the Court; (ii) whether the proposed Plan of Allocation of the Net Settlement Fund among the Settlement Class Members should be approved; (iii) whether the Court should approve awards of attorneys' fees and expenses to Class Counsel and the amounts thereof; (iv) whether incentive awards should be awarded to the Class Representatives and, if so, the amounts; and (v) whether entry of a final judgment terminating this litigation should be entered.

24. The date and time of the Fairness Hearing shall be set forth in the Notices. The Fairness Hearing may be rescheduled or continued; in this event, the Court will furnish all counsel with appropriate notice. Notice of the rescheduled date of the Fairness Hearing shall be posted conspicuously on the Settlement Website. The Court retains jurisdiction to consider all further or applications arising out of or in connection with the proposed Settlement or the Settlement Agreement.

25. All briefs and materials in support of final approval of the Settlement and entry of the Settlement Order and Final Judgment proposed by the parties to the Settlement Agreement shall be filed with the Court and served no later than twenty (20) days prior to the Fairness Hearing.

26. All briefs and materials in support of the application for attorneys' fees and expenses by Class Counsel and any application for incentive awards for the Named Plaintiffs shall be filed with the Court and served no later than forty (40) days following the mailing of Settlement Notice to the Settlement Class. Service on Settlement Class Members, as provided

for in Sections 26 and 27 herein and in accordance with Fed. R. Civ. P. 23(h), shall mean posting on the Settlement Website.

27. Any responses to objections to the Settlement, and any supplemental papers in support of final approval of the Settlement, including, without limitation, supplemental papers respecting any issues on Class Counsel's application for fees and expenses and/or the awards to the Class Representatives, shall be filed with the Court no later than seven (7) days prior to the Fairness Hearing.

28. Any Settlement Class Member may appear at the Fairness Hearing, either individually or through an attorney at the Settlement Class Member's own expense, and object to the approval of the Settlement Agreement and the Settlement provided for therein, to the allocation of the Net Settlement Fund among Authorized Claimants, to the application by Class Counsel for an award of attorneys' fees and expenses and/or to the application by Class Counsel for incentive awards to the Class Representatives; provided, however, that no Settlement Class Member shall be heard or entitled to contest or object to the Court's decision on any of the foregoing matters unless that person has (a) no later than sixty (60) days after Mail Notice (the "Objection Date"), filed written objections and supporting documentation with the Court, stating specific grounds for the objection(s) and providing all legal and evidentiary support; and (b) mailed or delivered copies of such objections and documentation no later than the Objection Date, to Class Counsel and The Hartford's Counsel. Such contact information shall be on the Settlement Website. Any Settlement Class Member objecting to the proposed Settlement Order and Final Judgment also may seek to present argument to the Court at the Fairness Hearing. Any Settlement Class Member seeking to present oral argument must file a Notice of Appearance and Intent to Present Argument along with his or her objection, together with all supporting papers

and documentation, which also must be filed with the Court and postmarked to Class Counsel and The Hartford's Counsel no later than the Objection Date. Unless otherwise ordered by the Court, any Settlement Class Member who does not make his or her objection in the manner provided herein shall be deemed to have waived such objection, including, without limitation, any objections by appeal, collateral attack or otherwise, and shall forever be foreclosed from making any objection to the fairness, reasonableness or adequacy of the proposed settlement and/or to the award of attorneys' fees and expenses to Class Counsel, and any untimely objections shall be barred. Further, any Settlement Class Member who fails to timely file and serve a Notice of Appearance and Intention to Present Argument, together with supporting papers and documents as provided above shall not be permitted to be heard at the Fairness Hearing.

29. All Settlement Class Members shall be bound by all determinations and judgments concerning the Settlement Agreement and the Settlement provided for therein, except those who previously, and timely, requested exclusion in from the Trial Class and who do not opt back in to this Action.

30. Neither this Order, the Settlement Agreement and any other document related to this Settlement, nor anything contained or contemplated therein or proceedings undertaken in accordance with the terms of the Settlement Agreement, shall constitute, be construed as or deemed to be evidence, or an admission or concession by The Hartford as to the validity of any claim that has been or could have been asserted against The Hartford, or as to any liability by The Hartford as to any matter related to this Action. Nor shall this Order, the Settlement Agreement, any other document related to this Settlement, or anything contained or contemplated therein or proceedings undertaken in accordance with the terms of the Settlement

Agreement, constitute, be construed as or deemed to be evidence of, or an admission or concession by Plaintiffs and the Settlement Class Members that their claims lack merit or that the relief requested in this Action is inappropriate, improper or unavailable. Further, each of the Parties shall retain, and do not waive, any and all defenses and/or claims that they may have.

31. In the event the Settlement Agreement and the Settlement are terminated in accordance with the applicable provisions of the Settlement Agreement, or the Settlement is not finally approved, the Settlement Agreement, the Settlement, and all related proceedings shall, except as expressly provided to the contrary in the Settlement Agreement, become null and void and shall have no further force and effect, and Named Plaintiffs and the members of the previously certified Trial Class shall retain full rights to assert any and all causes of action against The Hartford and any other released parties, and The Hartford and any other released parties shall retain any and all defenses thereto. This Action shall, in that event, revert to the procedural and substantive status prior to the date of execution of the Settlement Agreement, and the Trial Class certified in this in the Court's March 10, 2009 Class Certification Order shall remain in full force and effect, and the Action shall proceed as if the Settlement Agreement and all other related orders and papers had not been executed; and, upon application of Class Counsel and counsel for The Hartford, this Court shall enter an order authorizing the parties to proceed with this Action.

32. Other than as provided for in the Settlement Agreement, communications relating to the Action or the proposed settlement with Settlement Class Members shall occur through Class Counsel and/or the Claims Administrator (and their agents); provided, however, that nothing in this Order or the Settlement Agreement shall be construed to prevent The Hartford from communicating orally, electronically or in writing with Settlement Class Members in the

ordinary course of business unrelated to the proposed settlement or this Action, including, without limitation, all communications necessary to effectuate and fulfill The Hartford's obligations and duties relating to or arising under structured settlements entered into with the Settlement Class Members.

33. No discovery with regard to the Settlement Agreement or the Settlement provided for therein, shall be permitted as to any of the Parties to the Settlement Agreement, or by any Settlement Class Members or other parties, other than as may be directed by the Court upon a proper showing seeking such discovery by motion properly noticed and served in accordance with the governing rules of procedure.

34. The Court may, for good cause shown, extend any of the deadlines set forth in this Order, and may enter additional orders as necessary to effectuate the terms and conditions of the Settlement Agreement and the Settlement provided for therein, without further notice to Settlement Class Members; provided, however, that any changes to the date of the Fairness Hearing shall be posted on the Settlement Website.

SO ORDERED this 7th day of June, 2010.

/s/ Janet C. Hall

Hon. Janet C. Hall
U.S. District Court for the District of Connecticut