

**STATE OF MINNESOTA**

**DISTRICT COURT**

**COUNTY OF HENNEPIN**

**FOURTH JUDICIAL DISTRICT**

**CASE TYPE: Other Civil**

BONNIE BERTHIAUME, ROBERT  
BERTHIAUME, DORIS BURNHAM,  
RICHARD BURNHAM, NANCY MAYER-  
GOSZ, FLETCHER LEWIS, and CAROLE  
LEWIS,

Plaintiffs,

v.

ALLIANZ LIFE INSURANCE COMPANY  
OF NORTH AMERICA, and IMERITI, INC.  
d/b/a IMERITI FINANCIAL NETWORK,

Defendants.

COURT FILE NO.: 27-CV-17-15118

**STIPULATION OF SETTLEMENT**

It is hereby stipulated and agreed by, between, and among class representatives Robert Berthiaume, Doris Burnham, Richard Burnham, Nancy Mayer-Gosz, and Fletcher Lewis (the “Class Representatives”), individually and on behalf of the Class described herein, and defendants Allianz Life Insurance Company of North America (“Allianz Life”) and Imeriti, Inc. d/b/a Imeriti Financial Network (“Imeriti”), through their respective duly-authorized counsel, that the proceedings in the Action, and matters described in Section I, are settled fully and finally, compromised, and dismissed on the merits with prejudice, on the terms and conditions set forth in this Agreement and the exhibits hereto, subject to the occurrences set forth herein that permit Class Representatives or Defendants to terminate this Agreement, and further subject to and expressly conditioned upon the approval of the Court and the entry of judgment substantially in the form provided for in this Agreement. The Class Representatives, Allianz Life, and Imeriti are collectively referred to as the “Parties.”

## **I. FACTUAL BACKGROUND**

1. This lawsuit arises from the actions of Sean M. Meadows (“Meadows”), a former independent life insurance agent previously associated with Imeriti and appointed with Allianz Life and other life insurance companies, who sold the Allianz Life annuities at issue in this Action. The Class Representatives purchased Allianz Life annuities through Meadows, and they allege they were injured because Meadows directed them to buy and then surrender the annuities to either purchase new, less suitable annuities, or to invest in fictitious investment products he offered them for the purpose of stealing their investment funds as part of a Ponzi scheme. The Class Representatives claim that Allianz Life and Imeriti (referred to together as the “Defendants”) contributed to their alleged injuries by ignoring alleged “red flags” about Meadows’ misconduct, thereby allowing him to perpetrate his fraud. As a result, they allege that

Allianz Life violated Minnesota Statute sections 325F.69, 325F.67, 325D.44, 325F.71 and that Defendants were negligent and aided and abetted Meadows' fraud.

2. The Class Representatives and the Class are represented by Class Counsel Amy Conners, Jennifer Olson, and Thomas Heffelfinger of the law firm Best & Flanagan. Class Counsel have conducted an investigation of the facts relating to the products that are the subject of, and the claims asserted in, the Action. In June 2015, Meadows was sentenced to 25 years in prison for fraudulent conduct that included directing or encouraging clients to purchase annuities they did not need, churning accounts to earn additional commissions for himself, inducing his clients to surrender annuities despite significant penalties, and directly defrauding clients out of investment funds by purporting to sell them fictional investment products as part of a Ponzi scheme. After a review of the facts and circumstances that led to Meadows' imprisonment, and an investigation, Class Counsel allege that Meadows could not have pulled off such a massive and pervasive fraud without Defendants' knowledge and involvement. Class Counsel have litigated the Class Representatives' and the Class's claims for more than four years, including obtaining certification to proceed as a class in February 2019. Class Counsel have evaluated the relevant law and facts to assess the merits of Class Representatives' and the Class's claims and the likelihood of success at trial. Based upon their investigation, and evaluation of the facts and the law concerning the matters alleged in and relating to the Action, Class Counsel is of the opinion that the Settlement with Defendants is fair, reasonable, and adequate, and that it is in the best interest of the Class in light of all known facts and circumstances, including the substantial risks and uncertainties of further protracted litigation and trial, the significant delay associated with any appeals from a verdict in the Class's favor, and the needs and interests of the Class to obtain prompt and effective relief.

3. Defendants deny any and all wrongdoing alleged in the Amended Complaint. They do not admit or concede any actual or potential fault, wrongdoing, or liability in connection with any facts or claims that have been or could have been alleged against them in the Action. Defendants contend that the claims against them are improper as a matter of fact and law, and that all of the claims against them would be subject to summary judgment under Rule 56 of the Minnesota Rules of Civil Procedure. Even if Defendants were not to obtain summary judgment on all claims, the claims against them would suffer failures of proof on liability and damages at trial, and it would be impossible for the Class Representatives to prove their claims on a class-wide basis. In this regard, Defendants contend that class certification was inappropriate. However, Defendants believe, in light of *Amchem Products, Inc. v. Windsor*, 117 S. Ct. 2231, 2248 (1997), that such considerations do not apply to certification of settlement classes, and that acceptable procedural safeguards have been incorporated into this Settlement.

4. Allianz Life further asserts that if this action were to continue, it would argue that it did not engage in any false advertising, deceptive trade practices, or any other form of actionable consumer fraud with respect to the Class Representatives or the Class Members under any applicable law. Additionally, Defendants would argue, among other things, that they were not negligent; that the Class Representatives cannot establish negligence even if the facts alleged are true; and that they did not aid or abet fraud, among other defenses. If Defendants were not to prevail at trial, they would plan to vigorously pursue all appellate rights.

5. The Parties believe that the Settlement is fair, reasonable, and adequate. The Settlement was arrived at through protracted arm's length negotiations conducted over many months and with the aid of four separate mediations conducted before highly skilled and respected retired federal magistrate judges. The Class Representatives and Class Counsel believe

that the Settlement provides substantial benefits to the Class, is in the best interests of the Class, and fairly resolves the claims alleged in the Action. The Parties recognize the uncertainty, risk, expense, and delay attendant to continuing the action through trial and appeal, a process that could take several more years. Accordingly, the Parties desire to fully, finally, and forever settle and compromise all disputes and claims arising from or relating to the action upon the terms of this Settlement.

## II. DEFINITIONS

6. “Action” means the proceedings in the Fourth Judicial District Court, County of Hennepin, Minnesota, captioned *Berthiaume v. Allianz Life Insurance Company of North America*, Case No. 27-CV-17-15118 and all related appeals.

7. “Amended Complaint” means the Amended Complaint filed in this Action on October 3, 2017, which is the operative pleading in effect as of the date of this Agreement.

8. “Approval Date” means the date on which the Court enters its final order and judgment approving this Settlement.

9. “Claim” means a claim submitted by a Class Member for Settlement Relief in accordance with the provisions of the Claim Review Process, as described in Section IV.

10. “Claim Deadline” means the last date by which a Claim submitted by a Class Member for Settlement Relief must be postmarked, which shall not be more than sixty (60) days after the date on which the Claim Packets are mailed.

11. “Claim Form” means the form that Class Members who participate in the Claim Process must submit to make a Claim, as described in Section IV. A copy of the Claim Form is attached as Exhibit E.

12. “Claim Process” means the procedures by which Class Members may submit claims for Settlement Relief as set forth in the Claims Process Outline and Claims Process Rules.

13. “Claims Process Outline” refers to the document describing the claims administration process to be employed to administer the Settlement, attached as Exhibit C.

14. “Claims Process Rules” refers to the document setting out the rules that will govern the claims process, attached as Exhibit D.

15. “Claimants” means Class Members who complete and sign a Claim Form attached to the Notice of Proposed Class Action Settlement (attached here as Exhibit A) and timely submit that form to the Settlement Claims Administrator for each annuity for which the Class Member seeks Settlement Relief.

16. “Class” means all individuals who meet one or more of the following requirements:

- a. All residents of the United States who, during the Class Period, purchased an Allianz annuity or other Allianz life insurance product from Sean M. Meadows and were defrauded of some or all of their investment. The Class Period commences on January 1, 2004 and continues through August 5, 2014. Excluded from the class is any parent, subsidiary, affiliate, controlled person, officer, director, agent, servant, employee, or immediate family member of Defendants.
- b. All residents of the State of Minnesota who, during the Class Period, purchased an Allianz annuity or other Allianz life insurance product from Sean M. Meadows and were defrauded of some or all of their investment. The Class Period commences on January 1, 2004 and continues through

August 5, 2014. Excluded from the class is any parent, subsidiary, affiliate, controlled person, officer, director, agent, servant, employee, or immediate family member of Defendants.

- c. All residents of the State of Minnesota who are senior citizens or disabled, who during the Class Period, purchased an Allianz annuity or other Allianz life insurance product from Sean M. Meadows and were defrauded of some or all of their investment. The Class Period commences on January 1, 2004 and continues through August 5, 2014. Excluded from the class is any parent, subsidiary, affiliate, controlled person, officer, director, agent, servant, employee, or immediate family member of Defendants.

17. “Class Counsel” means those attorneys of record appointed as class counsel by the Court: Amy Conners, Jennifer Olson, and Thomas Heffelfinger of the law firm Best & Flanagan.

18. “Class Member” means each person or entity included in the Class, excluding all such persons who timely submitted a written request to be excluded from the Class in accordance with the Class Notice.

19. “Class Notice” means the class notice sent to Class Members on or about October 3, 2019.

20. “Class Period” means January 1, 2004 through August 5, 2014.

21. “Class Representatives” means only those Plaintiffs appointed by the Court as class representatives: Robert Berthiaume, Doris Burnham, Richard Burnham, Nancy Mayer-Gosz, and Fletcher Lewis.

22. “Class Settlement Notice” means the Notice of Proposed Class Action Settlement and related documents, attached as Exhibit A.

23. “Contract” means an annuity sold by Sean M. Meadows and issued by Allianz Life during the Class Period to a person in the Class.

24. “Court” means the Hennepin County District Court for the State of Minnesota.

25. “Effective Date” means the first date that is three business days after the date on which the judgment entered pursuant to the final order is deemed final. The judgment entered pursuant to the final order will be deemed final on the date upon which the judgment is no longer subject to any further appeal or judicial reconsideration or review. Thus, “final” means the date of expiration of the time for the filing or noticing of any appeal from, or other request for judicial reconsideration or review of, the judgment entered pursuant to the final order, without any appeal or other request for judicial reconsideration or review having been filed or noticed; or, if an appeal or other request for further judicial review of the judgment entered pursuant to the final order is timely filed or noticed, the date on which all resulting appellate or other judicial proceedings have been finally terminated, and the judgment entered pursuant to the final order is effective without the possibility of further review by any court.

26. “Preliminary Approval Order” means the order granting preliminary approval of this Settlement, and approving the Class Settlement Notice, to be entered by the Court without material alteration to the form attached as Exhibit B.

27. “Presiding Neutral” means the neutral arbitrator or mediator jointly selected by the parties to review and make a final determination of any disputed Calculated Settlement Amount pursuant to the Claims Process Outline and Claims Process Rules.

28. “Release” means the release and waiver set forth in Section VII of this Settlement.

29. “Releasees” means (1) the Defendants, Allianz Life and Imeriti; (2) any predecessors and successors in interest, any current or former parent corporations, subsidiaries, affiliates (including marketing affiliates), and assigns of Defendants; (3) companies acquiring any or all of Allianz Life’s or Imeriti’s assets or capital stock; (4) current or former officers, directors, shareholders, principals, partners, attorneys, agents (including independent contractors), representatives, and employees of Defendants; and (5) insurers of any of the foregoing persons or entities.

30. “Settlement” or “Agreement” means this Stipulation of Settlement and its attached exhibits which are integral to and incorporated into the Agreement.

31. “Settlement Claims Administrator” refers to the individual or firm retained by Defendants to handle mailing of the Class Settlement Notice and Claim Forms to the Class, receiving and processing any objections to the Class Settlement, and review of submitted Claim Forms for timeliness, signature, and notarization as set forth in the Claims Process Outline and Claims Process Rules.

32. “Settlement Relief” means the benefits available to Class Members under this Settlement.

33. The terms “he or she” and “his or her” include “it” or “its,” where applicable. Defined terms expressed in the singular also include the plural form of such term, and vice versa, where applicable.

### **III. SETTLEMENT TERMS**

34. This Settlement will become final and effective only upon the Effective Date, which, as set forth above, is after the Court has entered the final order and a separate judgment dismissing the action with prejudice and the judgment becomes final.

35. In the event that this Settlement is not approved by the Court, fails to become effective, or is reversed, withdrawn, or modified in any way by the Court, this Settlement will be void *ab initio* and of no force or effect, and will not be admissible or usable for any purpose in any judicial, administrative, or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural, and none of the Parties to this Settlement will be deemed to have waived or assigned any claims, objections, defenses, or arguments in this action.

36. The Parties agree that Class Members who submit a timely, complete, and notarized Claim Form by the Claim Deadline in the manner required in Section IV shall be eligible to make a claim for and, if they qualify, receive Settlement Relief as set forth in this Agreement.

37. Subject to the Court's approval, all Class Counsel attorneys' fees and costs will be paid by Defendants and will not exceed \$1,750,000.00. Defendants agree not to oppose a motion by Class Counsel for attorneys' fees and costs up to this amount. The effectiveness or validity of this Settlement is not conditioned upon any specific award of attorneys' fees and costs by the Court. Class Counsel will file any motion for approval of attorneys' fees and costs within fifteen (15) days of the date of Class Settlement Notice mailing and will make such filing available to Class Members through the class administration website address published in the Class Settlement Notice. If no Class Member files a timely objection to the Court's final approval of the Settlement, Defendants' payment to Class Counsel of attorneys' fees and costs awarded to Class Counsel by the Court in an amount not to exceed \$1,750,000.00 shall be made within fifteen (15) days of the issuance of the Court's final order and judgment. In the event that the final order and judgment is reversed or modified by a final non-appealable order, or if the Settlement is cancelled or terminated by a final non-appealable order for any reason, Class

Counsel shall refund all such attorneys' fees and costs to Defendants within 15 days from receiving notice from Defendants' counsel or from a court of competent jurisdiction. If such refund is not paid within 15 days from the date upon which it is due (which shall be deemed a "Default"), Defendants may, without further notice, file with the Court the Confession of Judgment executed by Class Counsel in the form attached hereto as Exhibit F. If any Class Member files a timely objection to the Court's final approval of the Settlement, Defendants' payment to Class Counsel of attorneys' fees and costs awarded to Class Counsel by the Court in an amount not to exceed \$1,750,000.00 shall be made within fifteen (15) days of the Effective Date.

38. Class Counsel will make, and Defendants will not oppose, an application for an award of additional payments to the Class Representatives in the amount of \$15,000 to each of the Class Representatives as full and complete compensation for their service as Class Representatives (the "Enhancement Award"). The Parties agree that Defendants will not pay more than \$75,000 in total to the Class Representatives for their service. These amounts are in addition to whatever amounts each Class Representative may be entitled to receive in Settlement Relief. Class Counsel will file any motions for the Enhancement Award within fifteen (15) days of the date of Class Settlement Notice mailing and will make such filing available to Class Members through the class administration website address published in the Class Notice. The Enhancement Award shall be paid by Defendants within fifteen (15) days of the Effective Date.

39. As set forth in detail in Section VII, below, in exchange for the right to make a claim for Settlement Relief and the other relief described above, the Class Representatives and all Class Members, on behalf of themselves, as well as on behalf of all of their heirs, successors in interest, assigns, transferees, and grantees, fully and forever release, remise, acquit, and

discharge Releasees from the Released Claims. By executing this Agreement, the Parties acknowledge that, upon entry of the final order by the Court, the action and related action will be dismissed with prejudice pursuant to the terms of the final order, an order of dismissal with prejudice will be entered, and all Released Claims will thereby be conclusively settled, compromised, satisfied, and released as to the Releasees. The final order will provide for and effect the full and final release, by the Class Representatives and all Class Members, of all Released Claims.

40. As soon as practicable after the execution of this Agreement, but at the latest by September 1, 2020, Plaintiffs will move the Court to enter the Preliminary Approval Order attached hereto as Exhibit B. The Settlement Claims Administrator will provide notice to Class Members according to the directions in the Preliminary Approval Order.

#### **IV. CLAIMS PROCESS & SETTLEMENT RELIEF**

41. The Parties have negotiated a detailed claims-making and administration process and settlement relief structure, setting forth both the administrative procedure for sending out Claim Forms, receiving and reviewing Claims, and the method by which Settlement Relief will be calculated and paid to eligible Class Members. This claims administration process is set forth in detail in Exhibit C, Claims Process Outline, and Exhibit D, Claims Process Rules.<sup>1</sup> The Claims Process Outline and Claims Process Rules are fully incorporated into and a part of the Agreement and are summarized in this Section. To the extent that there is any conflict between the summary description set forth in this Section and the claim process described in Exhibits C and D, those Exhibits control.

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<sup>1</sup> All capitalized terms used to describe the Claims Process and Settlement Relief have the same meaning as defined or used in the Claims Process Rules and Claims Process Outline.

42. In order to be eligible for Settlement Relief, Class Members must complete a Claim Form for each eligible Contract and timely submit that Claim Form to the Settlement Claims Administrator. Each Class Member will receive a Claim Form for each Contract owned by that Class Member for which the Class Member is potentially eligible to receive Settlement Relief. The Claim Form shall be prepopulated with the following information: (a) the annuity Contract number; (b) the amount of premium paid and the date of each such payment during the Class Period; and (c) the amount of each partial or full surrender from the contract and the date of each such surrender during the Class Period. The Claim Form shall require Class Members to provide the information and documents (if available) in support of their claims for Settlement Relief in accordance with the terms of the Claims Process Rules and must be notarized and signed under penalty of perjury. An example Claim Form is attached as Exhibit E.

43. The Claim Forms shall be completed and submitted to the Settlement Claims Administrator by the deadline stated on the Claim Form, which shall be sixty (60) days from the date of mailing by the Settlement Claims Administrator. The Settlement Claims Administrator shall examine all submitted Claim Forms for timeliness, signature(s) by the Class Member(s) identified on the Claim Form, and notarization.

44. The Settlement Claims Administrator shall send a letter denying the claim of each Class Member whose claim form was not timely submitted, was not signed by the Class Member(s) identified on the Claim Form, or was not notarized. The Settlement Claims Administrator shall provide counsel for the Parties with copies of any Claim Forms setting forth claims that are denied by the Settlement Claims Administrator, along with the associated denial letter.

45. Upon completion of the Claim Form review, the Settlement Claims Administrator shall provide all reviewed Claim Forms not denied for one of the reasons above, including all accompanying Supporting Documentation, to counsel for all Parties and to Allianz Life.

46. Allianz Life will review and analyze the Claim Forms it receives from the Settlement Claims Administrator and calculate Settlement Relief amounts as set forth in the Claims Process Rules within sixty (60) days of its receipt of Claim Forms from the Settlement Claims Administrator. Allianz Life, on behalf of Defendants, shall process and mail payment of Settlement Relief to each eligible Class Member within thirty (30) days of the date upon which (i) Allianz Life provides counsel for each Party with the Calculated Settlement Amount for each eligible Class Member as to which no Party files a notice of disagreement within the 14-day period; (ii) counsel for the Parties resolve any notice of disagreement as to the Calculated Settlement Amount for any eligible Class Member if such a notice is provided and resolved; or (iii) the Presiding Neutral makes a final determination as to the Calculated Settlement Amount for any eligible Class Member if a request for review to the Presiding Neutral is made by counsel for any Party.

47. The Claims Process Outline provides a mechanism by which counsel for any Party may challenge Allianz Life's determination and calculation of Settlement Relief. In such case, counsel shall provide a notice of disagreement to all other counsel within fourteen (14) days after receipt of the Calculated Settlement Amount. If a dispute over the Calculated Settlement Amount for any eligible Class Member cannot be resolved by counsel within fourteen (14) days after the notice of disagreement has been provided, the Parties have selected a Presiding Neutral and developed a procedure by which the Presiding Neutral shall resolve any such disagreement. *See Exhibit C.*

**V. PROCESS FOR CLASS MEMBERS TO OBJECT**

48. Class Members who wish to object to the fairness, reasonableness, or adequacy of this Settlement, including the Class Counsel attorneys' fees and costs, must file a written statement of objection with the Court and deliver copies of the objection to Class Counsel and Defendants' counsel no later than forty-five (45) days after the mailing of the Class Settlement Notice. The written statement of objections must identify the specific reason(s), if any, for each objection, including any legal support the Class Member wishes to bring to the Court's attention and any evidence or other information the Class Member wishes to introduce in support of the objection(s). Class Members may do so on their own or with the assistance of an attorney retained at their own expense. Unless they have timely filed and delivered a written objection or are otherwise permitted by the Court, Class Members will not be entitled to speak at the Fairness Hearing. Class Members who fail to file and deliver a timely written objection will be deemed to have waived any objection and will be foreclosed from objecting to or otherwise opposing this Settlement.

49. The Parties have not and will not solicit or otherwise encourage, directly or indirectly, Class Members to object to this Settlement. Defendants will not discourage, directly or indirectly, Class Members from filing claims or submitting a Claim Form.

**VI. FINAL COURT APPROVAL**

50. After the Fairness Hearing, and upon the Court's approval of this Agreement, the Parties shall seek from the Court a final order and judgment. The proposed final order and judgment shall, among other things, include the elements specified below.

- a. The final order shall find that the Court has personal jurisdiction over all Class Members and that the Court has subject matter jurisdiction to approve this Agreement and all exhibits hereto.
- b. The final order shall finally certify the Class for Settlement purposes.
- c. The final order shall approve this Agreement and the proposed Settlement as fair, reasonable, and adequate, and consistent and in compliance with the provisions of the United States and Minnesota Constitutions and all other applicable law, as to, and in the best interests of, each of the Parties and the Class Members; direct the Parties and their counsel to implement and consummate this Agreement according to its terms and provisions; and declare this Agreement to be binding on, and to have preclusive effect in pending and future lawsuits, arbitrations, or other proceedings maintained by or on behalf of the Class, as well as their heirs, executors and administrators, successors, and assigns.
- d. The final order shall find that the Class Settlement Notice package and the notice methodology implemented pursuant to this Agreement: (1) constituted the best practicable notice; (2) constituted notice that was reasonably calculated, under the circumstances, to apprise the Class of the pendency of the Action, their right to object to the proposed Settlement, and their right to appear at the Fairness Hearing; (3) was reasonable and constituted due, adequate, and sufficient notice to all persons entitled to receive notice; and (4) met all requirements of the United States and Minnesota Constitutions and all other applicable law and procedural rules.

- e. The final order shall find that Plaintiffs' Counsel adequately represent the Class for purposes of entering into and implementing the Settlement.
- f. The final order shall authorize the Parties and Parties' Counsel to communicate with Class Members and their duly authorized representatives as contemplated in this Agreement.
- g. The final order shall dismiss Defendants from this Action on the merits and with prejudice, without fees or costs to any party except as provided in this Agreement.
- h. The final order shall incorporate the Release provisions set forth in Section VII, and forever discharge the Releasees from any and all claims and liabilities within the scope of the Release herein.
- i. The final order shall permanently bar and enjoin (1) all Class Members from filing, commencing, prosecuting, maintaining, intervening in, participating in as class members or otherwise, or receiving any benefits from, any lawsuit (including putative class action lawsuits), arbitration, administrative or regulatory proceeding or order in any jurisdiction, based on or relating to the Released Claims or the claims or causes of action, or the facts and circumstances relating thereto, alleged in the Amended Complaint; and (2) all persons from organizing any Class Members into a separate class for purposes of pursuing as a putative class action any lawsuit, arbitration, or other legal proceeding or action (including by seeking to amend a pending complaint to include class allegations, or seeking class certification in a pending action) based on or relating to the Released Claims or the claims or causes of action,

or the facts and circumstances relating thereto, alleged in the Amended Complaint;

- j. The final order shall authorize the Parties, without further approval from the Court, to agree to and adopt such amendments, modifications, and expansions of this Agreement and all exhibits attached hereto as (1) are consistent with the final order, and (2) do not unreasonably limit the rights of Class Members under the Agreement.
- k. The final order shall require that any appeal (1) be preceded by (a) a timely objection to the Settlement filed in accordance with the requirements of this Agreement or a request to intervene upon a representation of inadequacy of counsel, (b) a request for a stay of implementation of the Settlement, and (c) posting of an appropriate bond, and (2) absent satisfaction of each of these three requirements, shall authorize Defendants, at their sole option and in their sole discretion, to proceed with implementation of the Settlement, even if such implementation would moot the appeal.
- l. The Court shall, without affecting the finality of the final order for purposes of appeal, retain jurisdiction as to all matters relating to administration, consummation, enforcement, and interpretation of this Settlement and the final order, and for any other necessary purpose; provided, however, that nothing in this paragraph shall restrict the ability of the Parties to exercise their rights under this Settlement that are not in conflict with the final order.
- m. The final order shall incorporate any other provisions, as the Court deems necessary and just.

## VII. RELEASE AND WAIVER

51. The Class Representatives and Class Members, on behalf of themselves, their spouses, heirs, assigns, beneficiaries, executors, administrators, trusts, trustees, predecessors and successors, hereby expressly release and discharge Releasees from any and all causes of action, claims, damages, equitable, legal and administrative relief, interest, demands or rights, including, without limitation, claims for mental anguish and/or punitive or exemplary damages, whether based on federal, state, or local law, statute, ordinance, regulation, contract, common law, or any other source, that relate to the Contracts and any other conduct on the part of Releasees or Meadows, including, without limitation: (a) the marketing, offer, solicitation, application, acceptance, issuance, sale, presentation, illustration, projection, purchase, charges, administration, retention, handling, faxing, mailing, e-mailing, communication, general assistance, replacement, withdrawal, surrender, and termination of or in connection with the Contracts, (b) the supervision or purported lack of supervision of Sean M. Meadows by Releasees, (c) the claims asserted or that could have been asserted in this Action or before any court, arbitration panel, or regulatory or administrative agency against Releasees, (d) Class Representatives and Class Members' relationships with Sean M. Meadows, including but not limited to any investment advice, tax advice, investments (actual or fictional) or any other conduct Meadows engaged in, including the conduct underlying his criminal conviction; and (e) the factual predicates alleged in the Amended Complaint that form the basis of claims against Releasees (the "Released Claims"). This Release and the Released Claims encompass all claims relating in any way to the Contracts.

52. The Class Representatives and Class Members expressly further agree that they shall not now nor hereafter institute, maintain, or assert against Releasees, either directly or

indirectly, on their own behalf, on behalf of the Class, or on behalf of any other person or entity any action, regulatory action, arbitration, or court or other proceeding of any kind asserting causes of action, claims, damages, equitable, legal and administrative relief, interest, demands or rights, including, without limitation, claims for mental anguish and/or punitive or exemplary damages, whether based on federal, state, or local law, statute, ordinance, regulation, contract, common law, or any other source, that relate to the Released Claims.

53. Nothing in this Release shall be deemed to alter Class Representatives' or Class Members' contractual rights under Contracts still in force (except to the extent that such rights are specifically supplemented or altered by the Settlement Relief described in this Agreement), including but not limited to any right to take any action expressly permitted under the terms of the Contract.

54. In connection with this Release, Class Representatives and Class Members acknowledge that they are aware that they may hereafter discover claims presently unknown or unsuspected, facts in addition to or different from those which they now know or believe to be true, or losses that may exist or have been underestimated with respect to the Released Claims. Class Representatives and Class Members nevertheless agree that this Release fully, finally, and forever shall settle and release all liability for the Released Claims.

55. Without limiting the foregoing, nothing in this Release shall release, preclude, or limit any claim or action to enforce the terms of this Agreement.

56. The Parties agree and acknowledge that all provisions of this Section VII, including the Release, together constitute an essential term of the Agreement.

57. Class Representatives and Class Members expressly agree that this Release is, and may be raised as, a complete defense to and precludes any claim, action, or proceeding

encompassed by the Release against Releasees. It is the intention of the Parties in executing this Release on behalf of themselves and the Class Members to fully, finally, and forever settle and release all matters and all claims relating to the Contracts and Class Members' interaction with Sean Meadows in any way.

### **VIII. MISCELLANEOUS**

58. The terms and provisions of this Settlement may be amended, modified, or expanded by agreement in writing of the Parties and approval of the Court; provided, however, the Parties may by agreement effect such amendments, modifications, or expansions of this Settlement and its implementing documents (including the exhibits hereto) without notice to or approval by the Court if such changes are consistent with the Court's final order and do not unreasonably limit the rights of Class Members under this Settlement. The Parties specifically agree that any deadlines set forth in this Settlement or supporting documentation may be modified without seeking Court approval so long as such modification does not restrict the substantive rights of the Parties or Class.

59. Except as otherwise provided for herein, this Settlement may be terminated at the discretion of either Defendants or the Plaintiffs, through Class Counsel, if the Court, or any appellate court, rejects, modifies, or denies approval of any portion of this Settlement that the terminating party determines is material. The terminating party must exercise the option to withdraw from and terminate this Settlement in writing sent by e-mail to counsel for all other Parties, no later than 20 days after receiving notice of the event prompting the termination. If this Settlement is terminated, it shall be void, and no Party shall be bound by any of its terms, except that the Parties shall remain bound by the terms of this paragraph (including subparts), which include:

- a. The Parties shall be restored to their respective positions existing immediately before the execution of this Settlement;
- b. Any payments made to Class Counsel for attorney fees, costs and expenses, and service award payments made to Class Representatives paid pursuant to this Agreement, shall, within 7 days of the notice of termination, be repaid;
- c. All Parties expressly and affirmatively reserve all claims, defenses, arguments, motions, and appeals as to all claims that have been or might later be asserted in the Action, including without limitation any arguments concerning the Class's liability expert and any argument that the Action may not be litigated as a class action;
- d. Neither this Settlement, the fact of its having been made, nor negotiations leading to it, nor any action taken by a Party or Settlement Class Member pursuant to this Settlement shall be admissible or entered into evidence for any purpose whatsoever;
- e. The Parties shall jointly request that the Action be restored to the Court's trial calendar; and
- f. If this Settlement is terminated after mailing of the Class Settlement Notice package, within 21 days after termination, a written notice shall be mailed to the same recipients and mailing addresses of record as for the mailing of the Class Settlement Notice package, in a form to be jointly approved by the Parties, that the Settlement did not become final, is null and void, and no Settlement Relief will be available or distributed. Said notice will be paid for by the Parties, 50% by Plaintiffs and 50% by Defendants.

60. The obligation of the Parties to conclude the Settlement is and shall be contingent on each of the following:

- a. The absence of objections to the Settlement by state insurance commissioners or other regulators having jurisdiction over Defendants.
- b. Entry by the Court of the final order approving the Settlement, from which the time to appeal has expired or which has remained unmodified after any appeal(s).
- c. Any other conditions stated in this Agreement.

61. The Parties agree that the terms and conditions of this Settlement are the result of lengthy, intensive, arms-length negotiations between the Parties and that this Settlement will not be construed in favor of or against any Party by reason of the extent to which any Party or his, her, or its counsel participated in the drafting of this Settlement.

62. The Parties and their counsel agree to keep the existence and contents of this Agreement confidential until the motion requesting the Court's preliminary approval of the Settlement is filed; provided, however, that this paragraph shall not prevent the disclosure of such information prior to the filing of such motion to (1) regulators, rating agencies, independent accountants, advisors, financial analysts, agents, insurers or reinsurers, non-settling Plaintiffs, courts, and/or co-counsel as may reasonably be required to effectuate the terms and conditions of this Settlement or as otherwise required to comply with any applicable law or regulation, or (2) any other person or entity to whom the Parties agree disclosure must be made to effectuate the terms and conditions of this Settlement. If disclosure of the existence and/or contents of this Agreement is made pursuant to the preceding sentence, to the extent the recipient of the disclosure is not already subject to an obligation of confidentiality to the disclosing Party, such

Party will make reasonable efforts to secure the recipient's undertaking to maintain the existence and contents of this Settlement strictly confidential and to use such information only for the purpose for which the disclosure is made.

63. Class Counsel represent that they: (1) are authorized to enter into this Agreement on behalf of the Class, and (2) are seeking to protect the interests of the entire Class.

64. Class Representatives represent and certify that: (1) they have agreed to serve as representatives of the Class proposed to be certified for settlement purposes herein; (2) they remain willing, able, and ready to perform all of the duties and obligations of a representative of the Class; (3) they are familiar with the allegations in this Action, including the Amended Complaint, or have had the contents of such allegations described or conveyed to them; (4) they have consulted with Class Counsel about the Action, this Settlement, and the obligations of a representative of the Class; (5) they have authorized Class Counsel to execute this Settlement on their behalf; and (6) they shall remain and serve as a representative of the Class until the terms of this Settlement are effectuated and fully implemented, this Settlement is terminated in accordance with its terms, or, with respect to an individual Class Representative, the Court at any time determines that said Class Representative cannot represent the Class.

65. This Settlement, including the exhibits hereto which are incorporated by reference and are an integral part of this Settlement, sets forth the entire agreement among the Parties with respect to its subject matter, and it may not be altered or modified except by written instrument executed by Class Counsel and counsel for Defendants. The Parties expressly acknowledge that no other agreements, arrangements, or understandings not expressed or referred to in this Settlement exist among or between them.

66. This Settlement and any ancillary agreements shall be governed by and interpreted in accordance with the laws of the State of Minnesota, without reference to its choice of law or conflict of laws rules.

67. Whenever this Agreement requires or contemplates that one Party shall or may give notice to the other, notice shall be provided by next-day (excluding Saturday and Sunday) express delivery service as follows:

If to Allianz Life, then to:

Jeffrey D. Hedlund, Esq.  
Larry E. LaTarte, Esq.  
Faegre Drinker Biddle & Reath LLP  
2200 Wells Fargo Center  
90 S. 7<sup>th</sup> Street  
Minneapolis, MN 55402

If to Imeriti, then to:

David P. Pearson, Esq.  
Winthrop & Weinstine LLP  
225 S. 6<sup>th</sup> Street, Suite 3500  
Minneapolis, MN 55402

If to the Class, then to:

Amy S. Conners, Esq.  
Jennifer L. Olson, Esq.  
Thomas B. Heffelfinger, Esq.  
Best & Flanagan LLP  
60 South Sixth Street  
Suite 2700  
Minneapolis, MN 55402

68. All time periods set forth herein shall be computed in calendar days unless otherwise expressly provided. In computing any period of time prescribed or allowed by this Settlement or by order of court, the day of the act, event, or default from which the designated period of time begins to run shall not be included. Each other day of the period to be computed

shall be included, including the last day thereof, unless such last day is a Saturday, a Sunday, or a legal holiday, or, when the act to be done is the filing of a paper in court, a day on which weather or other conditions have made the office of the Clerk of the Court inaccessible, in which event the last day of the period shall be the next day that is not one of the aforementioned days. As used in this Section VIII, “legal holiday” includes New Year’s Day, Martin Luther King, Jr. Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day, and any other day appointed as a holiday by the President or the Congress of the United States.

69. The Parties agree that (1) this Agreement is clear and unambiguous, has been drafted and negotiated by counsel for the Parties at arm’s length, and shall not be construed more strictly against any of the Parties; and (2) no parol or other evidence may be offered to explain, construe, contradict, or clarify the terms of this Agreement, the intent of the Parties or their counsel, or the circumstances under which this Agreement was made or executed.

70. No opinion concerning the tax consequences of this Settlement to any person in the Class is given or will be given by Defendants, counsel for Defendants, or Class Counsel, nor are any representations or warranties in this regard made by virtue of this Agreement. The Class Settlement Notice shall direct persons in the Class to consult their own tax advisors regarding the tax consequences of the proposed Settlement, including the tax consequences of any payments, credits, and payment periods provided for hereunder, and any tax reporting obligations they may have with respect thereto. The tax obligations of each person in the Class, and the determination thereof, are the sole responsibility of each such person, and it is understood that the tax consequences of the Settlement may vary depending on the particular circumstances of each such person. Each Class Member shall be deemed to release and hold Defendants harmless from any

tax liability and consequences. Defendants will submit IRS form 1099R or other appropriate filings with respect to Settlement Relief provided under this Agreement to the extent they deem it appropriate to do so.

71. The Parties, their successors and assigns, and their counsel undertake to implement the terms of this Agreement in good faith, and to use good faith in resolving any disputes that may arise in the implementation of the terms of this Agreement.

72. Neither this Agreement nor any of the relief to be provided under this Agreement shall be interpreted to alter in any way the terms of any Class Member's contracts with Allianz Life or to constitute a novation of any such contracts, except as expressly provided by this Agreement or the benefits granted in accordance with the terms of this Agreement.

73. The Parties, their successors and assigns, and their attorneys agree to cooperate fully with one another in seeking court approval of this Agreement and to use their commercially reasonable best efforts to effect the prompt consummation of this Settlement.

74. In no event shall this Agreement, any of its provisions, or any negotiations, statements, or proceedings relating to it be offered as, used as, or deemed to be evidence or an admission or concession by any person of any matter, including but not limited to any liability or wrongdoing on the part of Releases or as evidence of the appropriateness of certification of any class.

75. This Agreement may be signed in counterparts, each of which shall constitute a duplicate original.

Dated: September 1, 2020

/s/ Amy S. Conners  
Amy S. Conners, Esq.  
Best & Flanagan LLP  
60 South Sixth Street  
Suite 2700  
Minneapolis, MN 55402  
CLASS COUNSEL

Dated: September 1, 2020

/s/ Jeffrey D. Hedlund  
Jeffrey D. Hedlund, Esq.  
Faegre Drinker Biddle &  
Reath LLP  
2200 Wells Fargo Center  
90 S. 7<sup>th</sup> Street  
Minneapolis, MN 55402  
COUNSEL FOR ALLIANZ  
LIFE INSURANCE CO. OF  
NORTH AMERICA

Dated: September 1, 2020

/s/ David P. Pearson  
David P. Pearson, Esq.  
Winthrop & Weinstine LLP  
225 S. 6<sup>th</sup> Street, Suite 3500  
Minneapolis, MN 55402  
COUNSEL FOR IMERITI,  
INC.

# EXHIBIT A

## NOTICE OF CLASS ACTION SETTLEMENT AND FAIRNESS HEARING

**If you purchased an Allianz Life Insurance Company of North America annuity from Sean M. Meadows between January 1, 2004, and August 5, 2014, you may be entitled to benefits from a class action settlement.**

**COURT AUTHORIZED LEGAL NOTICE  
THIS IS NOT A SOLICITATION FROM A LAWYER  
YOU ARE NOT BEING SUED**

**YOUR LEGAL RIGHTS ARE AFFECTED  
WHETHER YOU ACT OR DO NOT ACT**

**PLEASE READ THIS ENTIRE NOTICE CAREFULLY**

This notice is to inform you of a proposed class action settlement in the case of *Berthiaume v. Allianz Life Insurance Co. of North America*, Case No. 27-CV-17-15118, a lawsuit pending in the State of Minnesota District Court for Hennepin County that arose from the conduct of Sean M. Meadows who was formerly associated with Defendants Allianz Life Insurance Company of North America (“Allianz”) and Imeriti, Inc. (“Imeriti”).

You received this Notice because you are listed as being a current or former owner of an Allianz annuity policy that is included in the proposed settlement of this lawsuit. The Court directed that this Notice be sent to you because you have a right to know about the proposed settlement, and your rights and options under the proposed settlement, before the Court decides whether to approve it. This Notice explains the lawsuit, the proposed settlement, your legal rights under the settlement, what settlement benefits are included in the proposed settlement, who is eligible for the proposed settlement benefits, and how the settlement benefits can be obtained if the Court approves the settlement. Please provide a copy of this Notice to any additional former owners of your policy if they have not already received it.

**You should consult your own tax advisor regarding the tax consequences to you of the proposed settlement, including, without limitation, any tax reporting obligations you may have with respect to the proposed settlement. Neither the Parties, nor their counsel, are making any representations or providing any advice concerning the possible tax implications of the Settlement for any person.**

**QUESTIONS?**

CALL [Insert Phone Number]

FROM MONDAY THROUGH FRIDAY  
8:00 A.M. - 5:00 P.M. CST (EXCLUDING HOLIDAYS)

<b>Your Legal Rights and Options in this Settlement</b>	
<b>Do Nothing</b>	If you are a current or former owner of a policy in the Class, you do not have to do anything in response to this notice in order to be eligible to receive a Claim Form through which you may seek Settlement Relief. However, if you receive a Claim Form and do not submit it, you will give up all rights to receive any settlement funds from Defendants.
<b>Submit a Claim For Settlement Relief</b>	If you are a current or former owner of a policy in the Class, you do not have to do anything in response to this notice in order to be eligible to receive a Claim Form through which you may seek Settlement Relief. In order to be eligible for Settlement Relief, you must submit a Claim Form. This requires completion, notarization, and timely return of a Claim Form that will be sent to you if and after the Court gives final approval to this settlement. The Claim Form will include notice of a Claim Deadline. All claims must be postmarked by the Claim Deadline.
<b>Object</b>	If you do not like the proposed settlement, you may write to the Court to explain why by filing a written objection with the Court. If you do so, the Court will take your written objection into account in considering whether to approve the settlement, and you will be entitled to ask to speak to the Court about the fairness of the settlement at the Fairness Hearing set for _____, 2020. All written objections must be mailed to the addresses listed in section 16 of this Notice, postmarked no later than _____, 2020.
<b>Speak at the Fairness Hearing</b>	You may ask to speak in Court about the fairness of the settlement at the Fairness Hearing set for _____, 2020, but <b>ONLY</b> if you properly and timely submit a written objection and a notice of intention to appear, as instructed under sections 16 and 19 of this Notice.

The rights and options described in the above Summary of Your Legal Rights and Options in this Settlement—and the procedures and deadlines to exercise them—are explained in more detail below. Please note, however, that this Notice is only a summary of the terms and conditions of the proposed settlement. For a complete description of the terms and conditions of the proposed settlement, you should read the agreement called the Stipulation of Settlement in its entirety, which was filed with the Court. See section 5 of this notice for instructions on how to obtain a copy of the Stipulation of Settlement.

The Court in charge of this case still has to decide whether to approve the settlement. **Settlement benefits will be available only if and after the Court approves the settlement.** Please be patient.

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**BASIC INFORMATION**

**1. Why did I get this Notice?**

You received this notice because you are a member of the Class certified by the Court in this Action. You are a member of the Class because you are a current or former owner of an Allianz annuity or life insurance policy purchased from Sean M. Meadows between January 1, 2004 and August 5, 2014 and you did not previously exercise your right to opt out of the Class.

The Court has directed that the parties send you this notice because you have a right to know about the proposed settlement, and about your rights and options under the proposed settlement, before the Court decides whether to approve it. If the Court approves the settlement and it becomes final, Allianz and Imeriti will provide the settlement relief provided for in the approved settlement.

This Notice summarizes the lawsuit, the settlement, your legal rights, what settlement benefits are available, who is eligible for settlement benefits, and how the benefits can be obtained.

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

The Court in charge of the case is the Fourth Judicial District Court for Hennepin County, Minnesota, and the case is known as *Berthiaume, et al. v. Allianz Life Insurance Company of North America and Imeriti, Inc. d/b/a Imeriti Financial Network*. Judge Laurie J. Miller is the judge overseeing this class action. The people who sued are called the Plaintiffs, and the companies they sued, Allianz and Imeriti, are called the Defendants.

The lawsuit is about whether Allianz violated Minnesota law in the manner in which it marketed certain Allianz annuity products sold by Sean M. Meadows, a former independent financial advisor previously associated with Allianz and Imeriti, and whether Allianz and Imeriti violated Minnesota law by breaching duties they owed to Mr. Meadows' clients, including failing to prevent Mr. Meadows from directing his clients to surrender annuities within a short time after purchasing them, and aiding and abetting Mr. Meadows' theft of investment funds in a Ponzi scheme. Plaintiffs allege that this caused them to pay surrender charges and incur other damages and that Allianz and Imeriti are responsible for their losses.

Allianz and Imeriti deny any and all responsibility for any misconduct by Mr. Meadows, an independent agent authorized to sell annuities from life insurance companies including Allianz, and they deny that they violated any legal duty to Plaintiffs or the class relating to annuities sold by Mr. Meadows or any misconduct by Mr. Meadows. Rather, Defendants contend that they acted properly and lawfully in all respects. Allianz further contends that it timely reported Mr.

Meadows to law enforcement authorities. Mr. Meadows is now serving 25 years in federal prison after having been convicted on federal fraud charges.

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

A class action is a lawsuit in which the claims and rights of many people are decided in a single court proceeding. One court resolves the issues for all class members, except for those who choose to exclude themselves. In other words, the class wins together or loses together. In a class action, representative plaintiffs, known as “Class Representatives,” assert claims on behalf of the entire class. In this case, the Class Representatives are Robert Berthiaume, Doris Burnham, Richard Burnham, Nancy Mayer-Gosz, and Fletcher Lewis.

The Court decided that the claims asserted against Allianz and Imeriti can proceed as a class action because the Class Representatives satisfied the necessary requirements under Minnesota law governing class actions. The Court has not decided whether the Defendants did anything wrong.

### 4. Why is there a settlement?

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

### 5. Are filed papers in this lawsuit available?

Yes. Complete copies of the pleadings, the Stipulation of Settlement, and other papers filed in the lawsuit are available from the Hennepin County District Court Records Center. The address is Hennepin County Government Center, 300 S. 6th St., Room A250 Skyway Level, Administration (A) Tower, Minneapolis, MN 55487. Certain pleadings and other papers are available on the dedicated Internet website: [www.meadowsconsumerclassnotice.com](http://www.meadowsconsumerclassnotice.com). The title of this case is *Berthiaume, et al. v. Allianz Life Insurance Company of North America and Imeriti, Inc. d/b/a Imeriti Financial Network*, and the case number is 27-CV-17-15118.

In addition, you may obtain more information by contacting Class Counsel, listed in section 14 below, or the Settlement Claims Administrator.

## WHO IS IN THE SETTLEMENT

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

### 6. How do I know if I am part of the Class?

You are a member of the Class if you meet one or more of the following requirements and did not previously opt out of the Class:

- (1) All residents of the United States who, during the Class Period, purchased an Allianz annuity or other Allianz life insurance product from Sean M. Meadows and were defrauded of some or all of their investment. The Class Period commences on January 1, 2004 and continues through August 5, 2014. Excluded from the class is any parent, subsidiary, affiliate, controlled person, officer, director, agent, servant, employee, or immediate family member of Defendants.
- (2) All residents of the State of Minnesota who, during the Class Period, purchased an Allianz annuity or other Allianz life insurance product from Sean M. Meadows and were defrauded of some or all of their investment. The Class Period commences on January 1, 2004 and continues through August 5, 2014. Excluded from the class is any parent, subsidiary, affiliate, controlled person, officer, director, agent, servant, employee, or immediate family member of Defendants.
- (3) All residents of the State of Minnesota who are senior citizens or disabled, who during the Class Period, purchased an Allianz annuity or other Allianz life insurance product from Sean M. Meadows and were defrauded of some or all of their investment. The Class Period commences on January 1, 2004 and continues through August 5, 2014. Excluded from the class is any parent, subsidiary, affiliate, controlled person, officer, director, agent, servant, employee, or immediate family member of Defendants.

If you are still not sure whether you are included in the Class, you may ask for help. Please contact Class Counsel, listed in section 14 below, or call the toll-free dedicated helpline at [Insert Phone Number].

### 7. Are there exceptions to being included in the settlement Class?

Yes. All persons who receive this notice and fall under the definition of the Class, but who previously submitted a timely opt-out notice are excluded from the Class.

### 8. Are there exceptions to being eligible for settlement benefits?

Yes. To be entitled to settlement benefits, Class Members must demonstrate that (1) they surrendered or partially surrendered an Allianz annuity between January 1, 2004, and August 5,

2014 and, (2) within 15 days before or after the surrender, (3) either invested the surrender proceeds in another annuity with Sean Meadows or invested in a Meadows Financial Group (“MFG”) Investment. In addition, Class Members must complete a written Claim Form, providing the information, documents, affirmations, and required notarization to the Settlement Claims Administrator, postmarked by the Claim Deadline, to be eligible for settlement benefits.

**9. Are the estates of deceased policy owners entitled to relief?**

Yes. The rights under the proposed settlement of a deceased owner of a policy may be exercised by the estate of the owner, upon reasonable showing of proof of authority from the purported representative of the estate. But without such proof, beneficiaries under the policies are not included in the Class, and the proposed settlement relief is not available to any such beneficiaries.

**THE SETTLEMENT BENEFITS – WHAT YOU CAN RECEIVE**

**10. What benefits does the settlement provide?**

The settlement provides that Class Members who submit a timely, valid, and notarized Claim Form by the Claim Deadline may be eligible for a settlement benefit. The amount of the settlement benefit available varies depending upon whether you lost money on your Allianz annuity, whether you surrendered, or partially surrendered your Allianz annuity and when, whether you invested any proceeds from any surrender of an Allianz annuity into another annuity through Sean Meadow or a Meadows Financial Group (“MFG”) investment and when, whether you received proceeds from any MFG investment, and what type of supporting documentation you submit.

There are two categories of settlement benefits for which you may be eligible: An Annuity Loss Benefit, and an MFG Investment Loss Benefit.

**Annuity Loss Benefit:**

You may be eligible to receive 50 percent of any net out-of-pocket loss on any eligible Allianz annuity you owned and surrendered in full or in part between January 1, 2004 and August 5, 2014 (the “Class Period”).

The net out-of-pocket loss is calculated as the difference between (x) and (y), where (x) is the premium you paid and (y) is all payments you received from the annuity up to the date of that surrender transaction (including required minimum distributions, free withdrawals, and surrender proceeds) plus the cash surrender value of the annuity at the time of the transaction.

**MFG Investment Loss Benefit:**

In addition to any Annuity Loss Benefit, you may also be eligible to receive a MFG Investment

Loss Benefit. If you had multiple MFG Investments, you are entitled to recover for each such investment that qualifies for relief.

If you used proceeds from the surrender of an Allianz annuity for a MFG Investment prior to October 1, 2013 and you have qualifying documentation of your investment, you may be eligible for 40 percent of your total MFG Investment loss.

If you used proceeds from the surrender of an Allianz annuity for a MFG Investment on or after October 1, 2013 and you have qualifying documentation of your investment, you may be eligible for 50 percent of your total MFG Investment loss.

If you used proceeds from the surrender of an Allianz annuity for a MFG Investment but do not have any documentation, you may be eligible for 12 percent of your total MFG Investment loss.

#### 11. How can I obtain the settlement benefits?

If the Court approves the proposed settlement, the Settlement Claims Administrator will mail a Claim Packet to all Class Members. To receive settlement benefits, you must return a completed Claim Form to the Settlement Claims Administrator, postmarked with a date no later than the Claim Deadline, for each eligible annuity. Instructions for completing the Claim Form will be provided and can also be reviewed on the dedicated website, **[www.meadowsconsumerclassnotice.com](http://www.meadowsconsumerclassnotice.com)**.

In addition, the Claim Form must be notarized by a notary public in accordance with the laws of the state in which you reside governing in-person or remote notarization, affirming that you executed the Claim Form making the required statements and affirmations under oath in the presence of the notarial authority, and bearing evidence of the notarial authority in compliance with the law of the state in which it is being executed (*e.g.*, a seal, etc.).

Please note that Claim Forms that are not complete, signed, and notarized will be invalid and you will not be entitled to any settlement benefits.

A separate Claim Form will be provided and is required for each policy for which settlement benefits are sought.

If more than one person owned the policy when it was surrendered, each Owner must sign the Claim Form.

#### 12. When would I get my settlement benefits?

The Court will hold a hearing on [REDACTED], 2020, called the Fairness Hearing, to decide whether to approve the settlement. If the Court approves the settlement, the Settlement Claims Administrator will mail a Claim Packet to all Class Members to be completed and returned to the Settlement Claims Administrator. Upon receiving a completed and notarized Claim Form postmarked by the Claim Deadline, the Settlement Claims Administrator will forward the Claim

Form to Allianz to be reviewed and the settlement benefits calculated. If the lawyers representing the class and the defendants agree on your settlement amount, Allianz will have thirty (30) days after the settlement benefits are calculated to process the Claims and remit to you the appropriate amount of settlement benefits by check. If the lawyers disagree on the settlement amount, a neutral third party will decide the appropriate amount and Allianz will have 30 days from that decision to remit to you the appropriate amount of settlement benefits by check.

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

Unless you previously excluded yourself, you are a member of the Class, and that means: (1) that you cannot sue, continue to sue, or be part of or receive any benefits in or from any other lawsuit, arbitration, administrative or regulatory proceeding, order, or other legal proceeding anywhere against Allianz, Imeriti, and certain other released parties included as "Releasees" under the Stipulation of Settlement, concerning the marketing, solicitation, purchase, administration, or surrender of your annuity or other life insurance product, Allianz and Imeriti's supervision of Sean M. Meadows, Meadows' theft of funds, or any other legal claims that were made or could have been made in this case; and (2) that you *give up*, or *release*, any and all claims - regardless of whether they are presently known or suspected, presently unknown or unsuspected, presently existing, or might exist in the future - against the Releasees relating to (a) the annuities or other life insurance products at issue in this case or the manner in which those annuities or other life insurance products were marketed, solicited, purchased, administered or surrendered, (b) Allianz and Imeriti's supervision of Sean M. Meadows, (c) Meadows' theft of funds, (d) any other legal claims that were made or could have been made in this case against Allianz, Imeriti, and/or the Releasees, and/or (e) any and all matters concerning or relating to this settlement (including, without limitation, the award, election, and/or implementation of any settlement relief with respect to a policy). It also means that all of the Court's orders, whatever they provide, will apply to you and legally bind you, even if you objected to the proposed settlement.

**THE LAWYERS REPRESENTING YOU**

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

The Court appointed Amy Conners, Jennifer Olson, and Thomas Heffelfinger of the law firm Best & Flanagan LLP as Class Counsel to represent the Class. If you are a member of the Class and do not wish to be represented by Class Counsel, you have the right to hire your own attorney to represent you in the lawsuit at your expense. If you hire a lawyer to speak for you or appear in Court, your lawyer must file a Notice of Appearance.

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

Class Counsel will ask the Court for an award of attorneys' fees and expenses of \$1,750,000. Class Counsel also will ask the Court to award payments to the Class Representatives of \$75,000 for all Class Representatives combined. The Court may award less than these amounts. Allianz and Imeriti will pay the attorneys' fees and expenses, and any payments to Class Representatives, in the amount awarded by the Court, up to the foregoing amounts. These amounts will not come out of the funds for the specific settlement benefits awarded to Class Members. Allianz and Imeriti also will separately pay costs to administer the settlement.

**OBJECTING TO THE SETTLEMENT**

You can tell the Court that you do not agree with the settlement or some part of it.

**16. How do I tell the Court that I do not agree with the settlement?**

If you are a Class Member, you can object to the settlement if you do not like any part of it. The Court will consider your views in connection with the Fairness Hearing described below. To object, you must file your objection with the Court and send copies of your objection in writing to the Parties, stating that you object to the proposed settlement between Plaintiffs, Allianz, and Imeriti in *Berthiaume, et al. v. Allianz Life Insurance Company of North America and Imeriti, Inc. d/b/a Imeriti Financial Network*. Your written objection must include your full name, current address, telephone number, policy number(s), and signature, and state whether you object to a portion of or the whole settlement, set forth the legal and factual reasons you object, and include any documents you wish to submit in support of your position. Your written objection must be mailed to each of the following places, postmarked no later than       , 2020 [Insert date that is 45 days after date class notice is sent].

COURT	CLASS COUNSEL	ALLIANZ COUNSEL	IMERITI COUNSEL
4 <sup>th</sup> District Civil Court Hennepin County Gov't Ctr. 300 S. 6th St., C-332 Minneapolis, MN 55487	Amy S. Connors Thomas B. Heffelfinger Jennifer L. Olson BEST & FLANAGAN LLP 60 S. 6th St., Ste. 2700 Minneapolis, MN 55402	Jeffrey D. Hedlund Larry E. LaTarte FAEGRE DRINKER BIDDLE & REATH LLP 2200 Wells Fargo Ctr. 90 S. Seventh Street Minneapolis, MN 55402	David P. Pearson Kyle R. Kroll WINTHROP & WEINSTINE, P.A. Capella Tower 225 S. 6th St., Ste. 3500 Minneapolis, MN 55402

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

If you hire an attorney for the purpose of objecting to any aspect of the proposed settlement, the attorney must file an entry of appearance with the Clerk of Court no later than [REDACTED], 2020, and send a copy of such entry of appearance to Class Counsel and counsel for Allianz and Imeriti (at the addresses listed above), postmarked no later than [REDACTED], 2020

### THE COURT'S FAIRNESS HEARING

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

#### 17. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing on [REDACTED], 2020, at [REDACTED].M., at the Fourth District Judicial Court, before the Honorable Laurie J. Miller, Hennepin County Government Center, 300 South 6th Street, C-332, Minneapolis, Minnesota 55487. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Miller may listen to people who, prior to the hearing, properly and timely requested in writing to speak at the hearing, as described under section 19 of this Notice. The Court may also decide how much Class Counsel will be paid and the amount of any payments to the Class Representatives. At or following the hearing, the Court will decide whether to approve the settlement, but we do not know exactly when that decision will be made.

#### 18. Do I have to come to the hearing?

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

#### 19. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must do two things. First, you must object to the settlement in accordance with the procedures described above under section 16. Second, you must send a letter stating that it is your "Notice of Intention to Appear in the *Settlement of Berthiaume, et al. v. Allianz Life Insurance Company of North America and Imeriti, Inc. d/b/a Imeriti Financial Network.*" You must include your name, address, telephone number, and your signature on your Notice of Intention to Appear. Your Notice of Intention to Appear must be sent to the Clerk of the Court, Class Counsel, Allianz's Counsel, and Imeriti's Counsel, at their respective addresses given under section 16, and must be postmarked and received by the Court no later than [REDACTED], 2020. You cannot speak at the hearing if you do not follow these procedures.

## IF YOU DO NOTHING

### 20. What happens if I do nothing at all in response to this Notice?

If you are a current or former owner of a policy in the Class, you do not have to do anything in response to this notice in order to be eligible to receive a Claim Form through which you may seek Settlement Relief.

In addition, if you do nothing, you will give up all rights to object to the terms of this settlement. If you do not think the Court should approve this settlement, you must formally object using the procedure described in section 16 above.

## OBTAINING MORE INFORMATION

### 21. Are more details about the settlement available?

You may address written questions to the attorney listed below:

Amy Conners  
Best & Flanagan LLP  
60 South Sixth Street, Suite 2700  
Minneapolis, Minnesota 55402  
(612) 349-5693  
aconners@bestlaw.com

Additionally, you can visit the Internet website created and maintained by the Settlement Claims Administrator, or call the following toll-free number maintained by the Settlement Claims Administrator: **[Insert Phone Number]**.

**Please do not contact the Court or Judge Miller. They cannot answer any questions or discuss the lawsuit with you.**

# EXHIBIT B

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF HENNEPIN

FOURTH JUDICIAL DISTRICT

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Bonnie Berthiaume, Robert Berthiaume,  
Doris Burnham, Richard Burnham, Nancy  
Mayer-Gosz, Fletcher Lewis, and Carole  
Lewis,

Court File No.: 27-CV-17-15118  
Case Type: Other Contract / Other Civil  
Judge Laurie J. Miller

Plaintiffs,

vs.

Allianz Life Insurance Company of North  
America and Imeriti, Inc. d/b/a Imeriti  
Financial Network,

**[PROPOSED] FINDINGS AND  
ORDER GRANTING PRELIMINARY  
APPROVAL OF CLASS SETTLEMENT  
AND DIRECTING ISSUANCE OF  
CLASS SETTLEMENT NOTICE**

Defendants.

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This matter came before the Court on the Class Representatives' unopposed motion for the preliminary approval of a proposed class settlement (the "Motion"), the terms of which are set forth in a Stipulation of Settlement, including the Exhibits thereto (the "Settlement Stipulation" or "Stipulation"), which is attached to the Motion. All defined terms in this Order shall have the same meanings as in the Settlement Stipulation. This Court has reviewed the proposed Settlement, and based upon the Motion and the record of this matter, it is hereby ORDERED as follows:

**I. Background of this Action.**

1. Class Representatives served Allianz Life Insurance Company of North America and Imeriti, Inc. ("Defendants") with a Complaint on October 4, 2016. On October 3, 2017, Class Representatives filed an Amended Complaint.

2. The Amended Complaint asserts six causes of action against Allianz Life: (i) Count One – Minn. Stat. § 325F.69, Consumer Fraud Act; (ii) Count Two – Minn. Stat. § 325F.67, False Statement in Advertising Act; (iii) Count Three – Minn. Stat. § 325D.44, Uniform Deceptive Trade Practices Act; (iv) Count Four – Minn. Stat. § 325F.71, Deceptive Acts Perpetrated Against Senior Citizens and Disabled Persons; (v) Count Five – Negligence; and (vi) Count Six – Aiding and Abetting Fraud. It asserts two causes of Action against Imeriti, Count Seven – Negligence and Count Eight – Aiding and Abetting Fraud.

3. The allegations in the Amended Complaint focus on the actions of Sean M. Meadows, a former financial advisor previously associated with Defendants, who sold all of the Allianz Life annuities at issue in this matter. The Class Representatives purchased Allianz Life annuities through Meadows, and allege they were injured because Meadows “directed” them to buy and then to surrender the annuities in what the Amended Complaint characterizes as a pattern of churning, leading them to pay surrender charges, and to invest funds into Meadows’ fraudulent investment scheme (“Meadows’ Ponzi Scheme”). The Amended Complaint further alleges that Defendants allowed Meadows to operate with impunity.

4. Defendants deny any and all wrongdoing alleged in the Amended Complaint and do not admit or concede any actual or potential fault, wrongdoing, or liability in connection with any facts or claims that have been or could have been alleged against either Defendant in the Action. Defendants further specifically deny, but without limitation, that they assumed a duty of care to persons who purchased Allianz

Life products from Meadows, encouraged Meadows to engage in unethical sales practices, knew that Meadows was churning his clients' annuity policies, or knew that he was stealing their investment funds. Defendants also contend that persons in the Settlement Class have not suffered any damage or loss as a result of the conduct alleged and attributed to Defendants in the Amended Complaint. Defendants further contend that the offers and sales of all Allianz Life annuities offered and/or issued by Allianz Life were and are legal and appropriate in all respects.

## **II. Background of the Proposed Settlement.**

5. Before serving the Complaint, Class Counsel conducted a thorough investigation of the facts relating to the claims asserted in the Action. Class Counsel interviewed numerous Class Members and collected and analyzed documents provided by the Class Representatives and other Class Members. Additionally, they worked with the Minnesota Department of Commerce and the United States Attorneys' Office to review and analyze documents collected as part of the criminal and civil investigations into Meadows' conduct. Finally, they interviewed Meadows himself in order to obtain details of his scheme.

6. After the Amended Complaint was filed, the parties engaged in extensive litigation, including motions to dismiss, the exchange of more than 16,000 documents, 18 fact depositions, expert discovery involving the exchange of seven expert reports and three expert depositions, a motion for class certification, two requests for review by the Minnesota Court of Appeals, and a Petition for Review by the Minnesota Supreme Court. Throughout the course of the litigation, the parties engaged in multiple rounds

of settlement talks, including four mediations with two retired federal magistrate judges. With the assistance of retired Magistrate Judge Arthur Boylan, the parties reached an agreement on class settlement relief on May 8, 2020.

7. Based upon their investigation, the extensive litigation, and their evaluation of the facts and the law concerning the matters alleged in and relating to the Action, the Class Representatives have agreed to settle the Action pursuant to the provisions of the Stipulation of Settlement, after considering, among other things: (a) the fairness, reasonableness, and adequacy of the Settlement; (b) the substantial risks and uncertainties of protracted litigation and trial, especially in complex actions such as this, as well as the difficulties, delays, and risks of adverse results inherent in such litigation; (c) the needs and interests of the Class Members; and (d) the desirability of consummating the Settlement promptly, in order to provide effective relief to the Class Members.

8. The proposed Settlement is the result of extensive negotiation and mediation conducted by the parties.

9. The Class Representatives and Class Counsel agree that the proposed Settlement is fair, reasonable, and adequate because it provides substantial benefits to the Class Members, is in the best interests of the Class Members, and fairly resolves the claims alleged in the Action.

10. The Parties consider it desirable for this Action to be settled and dismissed because this settlement will: (i) provide substantial benefits to Class Members; (ii) put the Class's claims and the underlying matters to rest; and (iii) avoid the substantial

expense, burdens, risks, and uncertainties associated with the continued litigation of the Action.

### **III. Findings Regarding Proposed Settlement.**

11. The Court finds that: (a) the proposed settlement resulted from extensive arm's-length negotiations and was concluded only after the parties engaged in extensive litigation; (b) Class Counsel have significant experience handling class actions and complex litigation; and (c) the proposed settlement evidenced by the Stipulation of Settlement (which includes all Exhibits thereto) is sufficient to warrant (i) preliminary approval of the proposed settlement, (ii) notice thereof to the members of the Settlement Class, and (iii) a full hearing on the settlement. Accordingly, the Court preliminarily approves the settlement and orders dissemination of notice of this proposed settlement.

### **IV. Fairness Hearing.**

12. A hearing (the "Fairness Hearing") will be held on \_\_\_\_\_, 2020 at [a.m./p.m.] in the 4th District Civil Court, in the courtroom of the Honorable Laurie J. Miller, Room \_\_\_\_, Hennepin County Government Center, 300 South 6th Street, Minneapolis, Minnesota 55487, to determine (a) whether the Action should be finally certified as a class action for settlement purposes; (b) whether the Settlement of the Action should be approved as fair, reasonable, and adequate; (c) whether the Action should be dismissed with prejudice pursuant to the terms of the Stipulation of Settlement; (d) whether Class Members should be bound by the Release set forth in the Stipulation of Settlement; (e) whether Class Members should be subject to a permanent injunction that, inter alia, bars Class Members from filing, commencing, prosecuting,

intervening in, participating in (as class members or otherwise), or receiving any benefits from, any lawsuit, administrative, or regulatory proceeding or order in any jurisdiction based on, or relating to, the claims and causes of actions, or the facts and circumstances related thereto, in the Action and/or the Released Claims (as defined in the Stipulation of Settlement); (f) whether the application of Class Counsel for an award of attorneys' fees and costs should be approved; and (g) whether additional payments should be made to the Class Representatives. Class Counsel's submissions in support of their requests for attorneys' fees and Enhancement Awards will be filed within 15 days of the date of Class Settlement Notice mailing. The Parties' submissions in support of the motion for final approval of the settlement shall be filed with the Court at least seven days prior to the Fairness Hearing.

**V. Pre-Hearing Notice.**

13. The proposed Settlement is sufficient to warrant sending notice of the proposed Settlement to the Class. Notice shall be provided as follows.

14. **Notice by Mail.** The Settlement Claims Administrator shall mail, at Defendants' expense, the Class Settlement Notice substantially in the form filed with this Court as Exhibit A to the Settlement Stipulation (the "Class Settlement Notice"), by first-class mail, postage prepaid, no later than 21 days after the entry of this order preliminarily approving the proposed Settlement, to the last known address of each reasonably identifiable Class Member.

15. Prior to the mailing of the Class Settlement Notice, Allianz Life shall update the list of Class Members' last known names and addresses previously provided

to the Settlement Claims Administrator to facilitate mailing the class notice, as reflected in Allianz Life's electronic records. In the case of Class Settlement Notices undelivered and returned by the U.S. Postal Service, the Settlement Claims Administrator will make reasonable efforts to determine a current address for the Class Member and resend the returned Class Settlement Notice to the more current address.

16. **Proof of Mailing.** At or before the Fairness Hearing, the Settlement Claims Administrator shall file with the Court a proof of mailing of the Class Settlement Notice.

#### **VI. Findings Concerning Notice.**

17. Having considered, among other factors, (a) the cost of giving notice by various methods, (b) the resources of the Parties, (c) the stake of each Class Member, (d) the likelihood that publication notice would not be seen by Class Members and (e) the possibility that Class Members might desire to object to the Settlement, the Court finds that the Settlement Class Settlement Notice given in the form and manner provided in Paragraphs 14-15 of this Order is the best practicable notice and is reasonably calculated, under the circumstances, to apprise the Class Members: (i) of the pendency of this action; (ii) that any judgment, whether favorable or not, will include all Class Members; and (iii) that any Class Member may object to the settlement and, if he or she desires, may request to enter an appearance either personally or through counsel.

18. The Court further notes that the Settlement Class Settlement Notice materials required by the Settlement Stipulation are written in simple English and readily understandable by the Class Members.

19. In sum, the Court finds that such notice is reasonable, that it constitutes due, adequate, and sufficient notice to all persons entitled to be provided with notice, and that it meets all requirements of the United States and Minnesota Constitutions and applicable law.

#### **VII. Communications with Class Members.**

20. Defendants may not be privy to communications between Class Members and their counsel (including Class Counsel). However, Defendants may communicate with, and respond to inquiries directed to them from Class Members or their representatives, orally or in writing, regarding their contract values or surrender charge amounts, and general Settlement matters, such as the general process for obtaining Settlement Relief, deadlines and hearing dates, the class definition, and other routine Settlement inquiries.

21. In addition, Defendants may communicate with, and respond to inquiries directed to them from Class Members or their representatives, regarding matters in the normal course of administering Allianz Life policies or otherwise in the ordinary course of business, and may do so through any appropriate agents or agencies.

22. If, however, Defendants receive any inquiry from a Class Member seeking legal advice, Defendants shall refer the Class Member to Class Counsel.

23. Prior to the Claim Deadline (and except for the mailing of the Settlement Class Settlement Notice Package), Defendants, Defendants' Counsel, or anyone acting on their respective behalf, shall not directly or indirectly initiate contact with any Class Member regarding the Settlement. Nothing in this paragraph, however, shall preclude

Defendants' Counsel or Defendants from responding to inquiries from Class Members as contemplated by and in accordance with this Order or preclude Class Members from communicating with Class Counsel.

### **VIII. Objections and Appearances.**

24. **Written Objections.** Any person in the Class that wishes to object to the fairness, reasonableness, or adequacy of the Settlement Stipulation or the proposed Settlement, or to the Stipulated Fees and Costs, must file with the Court and mail to Parties' Counsel a statement of objection, postmarked no later than 45 days after the date of the Class Settlement Notice. Each such statement of objection must: (1) set forth the Class Member's full name, current address, telephone number, and applicable Contract number(s); (2) state that the Class Member objects to the settlement, in whole or in part; (3) set forth a statement of the legal and factual basis for the objection; and (4) be accompanied by copies of any documents that the objecting Class Member has and will submit in support of his/her position. A Class Member who does not submit a timely objection in accordance with the Settlement Stipulation, the Class Settlement Notice, and this Order, shall not be treated as having filed a valid objection to the Settlement. The Class Settlement Notice shall inform the Class of this requirement. Class Counsel will ensure that copies of all objections are filed with the Clerk of the Court prior to the Fairness Hearing so that the Court may appropriately consider them. Class Members may so object either on their own or through an attorney hired at their own expense. If a Class Member hires an attorney to represent him or her, the attorney must (i) file an entry of appearance with the Clerk of the Court no later than 45 days

after the date of the Settlement Class Settlement Notice, and (ii) send a copy of same to the Parties' Counsel, postmarked no later than 45 days after the date of the Settlement Class Settlement Notice. The Parties may serve and file responses to written objections prior to the Fairness Hearing. A Class Member's objection to the Settlement shall not affect his or her rights to Settlement Relief.

25. **Appearance at Fairness Hearing.** Any Class Member who files and serves a written objection, as described in the Stipulation of Settlement, the Class Settlement Notice, and the preceding paragraph of this Order, may appear at the Fairness Hearing, either in person or through personal counsel hired at the Class Member's expense, to object to the fairness, reasonableness, or adequacy of the Stipulation of Settlement or the proposed Settlement, or to the Unopposed Fees and Costs. Class Members or their attorneys who intend to make an appearance at the Fairness Hearing must file a notice of intention to appear with the Clerk of the Court no later than 45 days after the date of the Class Settlement Notice, and send a copy of such notice of intention to appear to the Parties' Counsel, postmarked no later than 45 days after the date of the Class Settlement Notice. A Class Member who appears at the Fairness Hearing will be permitted to argue only those matters that were set forth in a written objection filed by such Class Member in accordance with the Stipulation of Settlement, the Class Settlement Notice, and this Order. No Class Member shall be permitted to raise matters at the Fairness Hearing that the Settlement Class Member could have raised in such a written objection, but failed to do so, and all objections to the Settlement that are not set forth in such a written objection are deemed waived. Any Class Member who fails to comply

with the applicable provisions of the Settlement Stipulation and the Settlement Class Settlement Notice, and as otherwise ordered by the Court, shall be barred from appearing at the Fairness Hearing.

26. **Failure to Comply.** Any Class Member who fails to comply with the provisions of the preceding paragraphs of this Section VIII shall waive and forfeit any and all rights he or she may have to appear separately or object, and shall be bound by all the terms of the Stipulation of Settlement and by all proceedings, orders, and judgments in the Action.

**IX. Service of Papers.**

27. Class Counsel and Defendants' counsel shall serve on each other and on all other parties who have filed a notice of intention to appear, at or before the Fairness Hearing, any further documents in support of the proposed Settlement, including responses to any papers filed by Class Members. Class Counsel and Defendants' counsel shall promptly furnish to each other any and all objections that may come into their possession and shall file such objections with the Court on or before the date of the Fairness Hearing.

**X. Termination of Settlement.**

28. This Order shall become null and void, and shall be without prejudice to the rights of the Parties, all of whom shall be restored to their respective positions existing immediately before this Court entered this Order, if: (i) the proposed Settlement is not finally approved by the Court, or does not become final, pursuant to the terms of the Stipulation of Settlement; or (ii) the proposed Settlement is terminated

in accordance with the Stipulation of Settlement or does not become effective as required by the terms of the Stipulation of Settlement for any other reason.

29. In such event, the proposed Settlement and Stipulation of Settlement shall become null and void and be of no further force and effect, and neither the Stipulation of Settlement nor the Court's orders, including this Order, shall be used or referred to for any purpose whatsoever.

**XI. Use of Order.**

30. This Order shall be of no force or effect if the Settlement does not become final and shall not be construed or used as an admission, concession or declaration by or against Defendants of any fault, wrongdoing, breach or liability, or by or against Class Representatives or the Class Members that their claims lack merit or that the relief requested in the Amended Complaint is inappropriate, improper, or unavailable, or as a waiver by any party of any defenses or claims it or they may have.

**XII. Continuance of Hearing.**

31. The Court reserves the right to continue the Fairness Hearing without further written notice to the Class, but will notify counsel for the parties (including objectors who have timely filed a notice of intention to appear in these proceedings pursuant to paragraph 25, above). Unless the Court specifically orders otherwise, any such continuance shall not be interpreted to expand or change any deadlines contained in this Order or the Stipulation of Settlement.

IT IS SO ORDERED.

Dated: \_\_\_\_\_

\_\_\_\_\_

Laurie J. Miller  
District Court Judge

# EXHIBIT C

## Claims Process Outline

The parties in *Berthiaume, et al. v. Allianz Life Insurance Company of North America and Imeriti, Inc.*, Court File No. 27-CV-17-15118 (Hennepin County District Court, State of Minnesota) (the “Action”) have agreed in principle to certain terms of a settlement under which Class Members would submit claim forms to receive settlement payments in accordance with the terms of the May 8, 2020 settlement outline agreed to by the Parties (“Settlement Outline”) that would be incorporated in a final settlement agreement (“Settlement Agreement”) if the Parties reach agreement on all terms. This Claims Process Outline is intended to describe the claims administration process to be employed if the Court grants final approval to the Settlement Agreement. Capitalized terms have the same meaning as in the Settlement Outline. Counsel for the Parties will include these terms as part of the Settlement Agreement.

### 1. Settlement Claim Forms.

Defendants shall retain a Settlement Claims Administrator to handle the mailing of notice of settlement to Class Members and any resulting objections. If the Court issues an order giving final approval to the Settlement Agreement, Allianz shall create a Settlement Claim Form for each annuity owned by each Class Member for which the Class Member is potentially eligible to receive settlement relief. The Settlement Claim Form shall be in a form mutually agreed upon by the Parties and shall be prepopulated with the following information: (a) the annuity policy number; (b) the amount of premium paid and the date of each such payment; and (c) the amount of each partial or full surrender from the policy and the date of each such surrender.

The Settlement Claim Form shall require Class Members to provide the information and documents (if available) in support of their claims for settlement relief in accordance with the terms of the Settlement Outline and must be notarized and signed under penalty of perjury.

The Settlement Claim Forms shall be submitted to the Settlement Claims Administrator within 30 days of the effective date of the Settlement Agreement (“Effective Date”).

### 2. Mailing, Collecting, and Verifying Settlement Claim Forms.

The Settlement Claims Administrator shall be responsible for mailing to Class Members the approved Settlement Claim Forms within 60 days of the Effective Date. Settlement Claim Forms and any Supporting Documentation shall be deemed timely submitted by Class Members if postmarked within 60 days of the date of mailing by the Settlement Claims Administrator.

If any mailings of the settlement notice or the Settlement Claim Forms to Class Members are returned to the Settlement Claims Administrator as undeliverable, the Settlement Claims Administrator shall follow the same process approved by the Court with respect to returned mail for the notice of class certification.

The Settlement Claims Administrator shall examine all submitted Settlement Claim Forms for timeliness, signature by the Class Member(s) identified on the Settlement Claim Form, and notarization.

The Settlement Claims Administrator shall send a letter denying the claim to each Class Member whose claim form was not timely submitted, was not signed by the Class Member(s) identified on the Settlement Claim Form or was not notarized. The Parties shall agree upon the language of the letters to be sent by the Settlement Claims Administrator denying claims on these grounds. The Settlement Claims Administrator shall provide counsel for the Parties with copies of any Settlement Claim Forms setting forth claims that are denied by the Settlement Claims Administrator, along with the associated denial letter. If counsel for any Party believes that the Settlement Claims Administrator has erroneously denied any claim based on one of the grounds stated above, counsel shall provide a notice of disagreement to the Settlement Claims Administrator and all other counsel within 14 days after receipt of the denial letter. All other counsel shall then have 7 days in which to submit to the Settlement Claims Administrator any response to the notice of disagreement. After receipt of the notice of disagreement and any responses, the Settlement Claims Administrator shall reconsider the initial claim denial and issue a final determination which shall not be subject to further review.

Upon completion of the Settlement Claim Form review, the Settlement Claims Administrator shall provide all reviewed Settlement Claim Forms not denied for one of the reasons above, including all accompanying Supporting Documentation, to counsel for all Parties and to Defendant Allianz Life Insurance Company of North America (“Allianz”).

### **3. Calculating Settlement Amounts.**

The calculation of settlement relief amounts, if any, for the Annuity Loss Component and the MFG Investment Loss Component for each Class Member (“Calculated Settlement Amount”) shall be conducted by Allianz with respect to all Settlement Claim Forms forwarded by the Settlement Claims Administrator. Allianz shall designate one or more staff members who will be responsible for the determination of the Calculated Settlement Amounts.

Allianz shall solely base its determination of the Calculated Settlement Amount for each Class Member upon (i) the Settlement Claim Forms and Supporting Documentation received from the Settlement Claims Administrator; (ii) its data relating to the annuities addressed in the Settlement Claim Forms; and (iii) such additional documents, if any, supplied by counsel for any Party that reflect income or distributions that Class Members received from Meadows or MFG in connection with any MFG Investment (but limited to produced documents in the Action, government investigative records relating to Sean Meadows or case records from the Meadows criminal matter) (“Supplemental Settlement Calculation Documents”). Supplemental Settlement Calculation Documents must be submitted to Allianz for consideration within 14 days of the date that the Settlement Claims Administrator simultaneously provides to Allianz and to counsel for each Party the verified Settlement Claim Forms and Supporting Documentation. Counsel for the Parties shall not submit any briefing or argument to Allianz relating to any matter including the determination of the Calculated Settlement Amount, but may include a cover communication that identifies the Supplemental Settlement Calculation Documents submitted to Allianz.

The Parties shall agree upon the process for review and calculation to be employed by the Allianz staff member(s) in determining the Calculated Settlement Amount for each Class Member consistent with the terms of the Settlement Outline and this Claims Process Outline.

Allianz shall provide to counsel for each Party the Calculated Settlement Amount for each eligible Class Member within 60 days of the submission deadline for the Supplemental Settlement Calculation Documents.

If counsel for any Party believes that Allianz has erroneously determined the Calculated Settlement Amount for any eligible Class Member, counsel shall provide a notice of disagreement to all other counsel within 14 days after receipt of the Calculated Settlement Amount. If a dispute over the Calculated Settlement Amount for any eligible Class Member cannot be resolved by counsel within 14 days after the notice of disagreement has been provided, counsel for any Party may present a request for review to the Presiding Neutral within 7 days after expiration of the 14-day resolution period, and counsel for any other Party may submit a response within 7 days after receipt of the request for review. Within 14 days after receipt of the notice of disagreement and any responses, the Presiding Neutral shall make a final determination as to the Calculated Settlement Amount for the eligible Class Member which shall not be subject to further appeal or review. If the Presiding Neutral affirms the Calculated Settlement Amount determined by Allianz, the fees of the Presiding Neutral in making that determination shall be paid from the award of attorneys' fees to Class Counsel in this matter. If the Presiding Neutral determines that the correct Calculated Settlement Amount is higher than that determined by Allianz, the fees of the Presiding Neutral in making that determination shall be paid by defendants.

#### **4. Payment of Claims.**

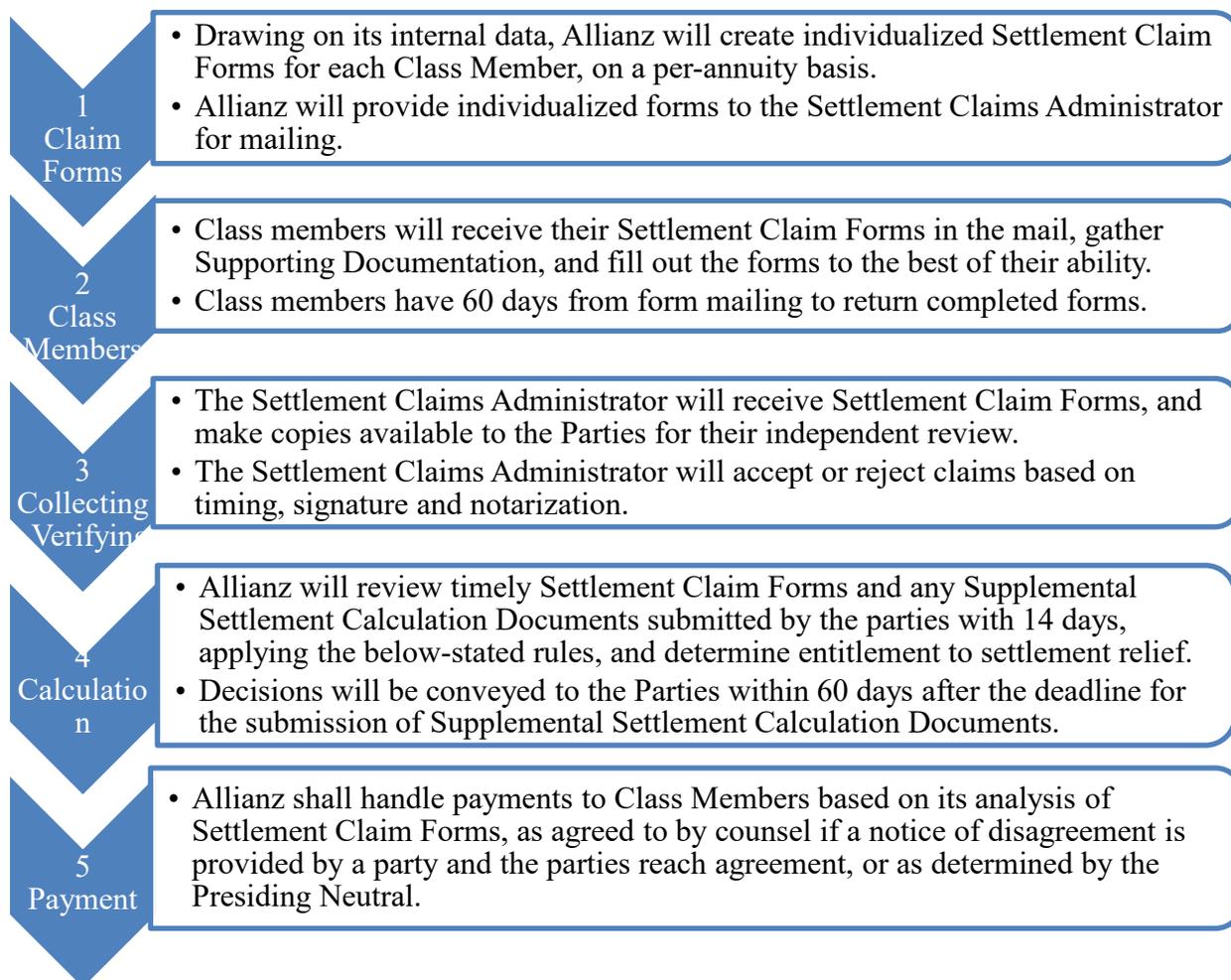
Allianz shall handle the processing and mailing of payments of the Calculated Settlement Amounts to the Class Members along with a letter stating the amount paid to the Class Member for the Annuity Loss Component and the MFG Investment Loss Component. Payments shall be made within 30 days of the date upon which (i) Allianz provides counsel for each Party with the Calculated Settlement Amount for each eligible Class Member as to which no Party files a notice of disagreement within the 14-day period; (ii) counsel for the Parties resolve any notice of disagreement as to the Calculated Settlement Amount for any eligible Class Member if such a notice is provided and resolved; or (iii) the Presiding Neutral makes a final determination as to the Calculated Settlement Amount for any eligible Class Member if a request for review to the Presiding Neutral is made by counsel for any Party.

# EXHIBIT D

## Claims Process Rules

The parties in *Berthiaume, et al. v. Allianz Life Insurance Company of North America and Imeriti, Inc.*, Court File No. 27-CV-17-15118 (Hennepin County District Court, State of Minnesota) (the “Action”) have agreed in principle to a settlement involving a process in which members of the class will submit Settlement Claim Forms to receive settlement proceeds, with Defendants paying certain percentages of claimant’s qualified damages. This document is intended to set out the rules that will govern the claims process. Capitalized terms have the same meaning as the overall settlement outline agreed to by the Parties dated May 8, 2020 (“Settlement Outline”), as well as the claims process outline agreed to by the Parties on July 31, 2020 (“Claims Process Outline”). Counsel for the Parties will include these terms as part of the written settlement agreement between the Parties.

### I. General Process



### II. Administration Rules

The Parties have agreed upon a settlement structure in which settlement relief would be available to Class Members who submit a notarized Settlement Claim Form signed under penalty of perjury

that sets forth details of the financial transactions that demonstrates the Class Member surrendered an Allianz annuity and then used the surrender proceeds to purchase a new annuity with a different life insurance company through Meadows as agent or invested some or all of the surrender proceeds with Meadows Financial Group (“MFG”) within 15 days before or after the Class Member’s Allianz annuity surrender. Class Members who submit “Supporting Documentation” demonstrating such uses of surrender proceeds are entitled to a higher level of settlement relief than those who do not. Defendants will pay percentages of a Class Member’s claimed loss(es) depending on whether the Class Member’s Settlement Claim Form demonstrates the prerequisites to receive settlement relief, as well as whether the Class Member makes that showing using Supporting Documentation or not.

Generally speaking, potential settlement relief available to Class Members falls into four potential buckets: (1) 50% of Annuity Loss calculated pursuant to a specific net-out-of-pocket loss formula, (2) 12% of MFG Investment Loss without Supporting Documentation, (3) 40% of MFG Investment Loss occurring before October 1, 2013 with Supporting Documentation, and (4) 50% MFG Investment Loss occurring after October 1, 2013 with Supporting Documentation. These numbers may be affected by pro rata calculations as explained in greater detail below. The relief as to (1) is called the “Annuity Loss Component.” The collective relief as to (2), (3), and/or (4) is called the “MFG Investment Loss Component.” The sum of both components for a particular Class Member is the “Calculated Settlement Amount” for that Class Member.

This document sets forth the rules to be followed in determining each Class Member’s entitlement to settlement relief and amount of such relief:

#### 1. Creation of Claim Forms

- a. Allianz shall create a Settlement Claim Form for each annuity owned by each Class Member for which the Class Member is potentially eligible to receive settlement relief. The Settlement Claim Form shall be in a form mutually agreed upon by the Parties and shall be prepopulated with the following information: (a) the annuity policy number; (b) the amount of premium paid and the date of each such payment; and (c) the amount of each partial or full surrender from the policy and the effective date of each such surrender that occurred during the class period.
- b. Allianz will also create a mutually acceptable set of instructions for filling out the Settlement Claim Form (“Instructions”). These Instructions will be provided to Class Members along with each Settlement Claim Form.
- c. The Settlement Claim Form will request information relating to each partial or full surrender taken by the Class Member during the class period, as set forth on the Settlement Claim Form, as well as request information about the Class Member’s MFG Investments. The Settlement Claim Form shall require Class Members to provide the information and documents (if available) in support of their claims for settlement relief in accordance with the terms of the Settlement Outline and must be notarized and signed under penalty of perjury by each Class Member who owns or owned the annuity identified in the Settlement Claim Form or the Class Member’s power of attorney, executor, or other legal representative provided that

such person also submits proof of authority to act on behalf of the owner (i.e., a power of attorney appointment or proof of appointment of an executor to act on behalf of the estate).

- d. Annuities owned by a Class Member that were not partially or fully surrendered are not eligible for relief and will not receive a claim form. Claim forms for eligible annuities shall detail partial and full surrenders taken during the class period, but free withdrawals or other distributions (e.g., required minimum distributions) shall not be listed. Annuities owned jointly shall be addressed to both owners and request one response signed by both.
- e. Allianz shall submit Settlement Claim Forms to the Settlement Claims Administrator for mailing within 30 days of the effective date of the Settlement Agreement (“Effective Date”).
- f. The Settlement Claims Administrator shall mail Settlement Claim Forms to the addresses listed in the forms provided by Allianz within 60 days of the Effective Date. Settlement Claim Forms addressed to the Class Member or pair of Class Members shall be mailed together in one packet, along with one copy of the Instructions.
- g. If any mailings of the settlement notice or the Settlement Claim Forms to Class Members are returned to the Settlement Claims Administrator as undeliverable, the Settlement Claims Administrator shall follow the same process approved by the Court with respect to returned mail for the notice of class certification.

## 2. Class Members’ Receipt and Completion of Settlement Claim Forms

- a. Class Members will receive their Settlement Claim Form(s) in the mail, gather Supporting Documentation (if any), and fill out the Settlement Claim Form(s) to the best of their ability.
- b. Supporting Documentation is defined as, and limited to, the following categories of documents:
  - i. cancelled checks showing the date and amount of payment to Meadows, MFG or a life insurance company other than Allianz;
  - ii. wire transfer receipts showing the date and amount of payment to Meadows, MFG or a life insurance company other than Allianz;
  - iii. bank statements showing the date and amount of payment to Meadows, MFG or a life insurance company other than Allianz;
  - iv. contemporaneous investment documentation issued by Sean Meadows (“Meadows”) or Meadows Financial Group (“MFG”) reflecting the date and amount of the Class Member’s investment in a bond fund, real estate fund or other fraudulent investment offered by MFG through Meadows that

was the subject of the federal government's criminal case against Meadows;  
or

- v. policy records issued by a life insurance company other than Allianz reflecting the purchase of a replacement annuity, as defined in paragraph 2 of the Settlement Outline, reflecting the date of the purchase, the amount of premium paid, and the identification of Meadows as the selling agent of record for the replacement annuity.
  - c. Class Members shall have 60 days to return completed forms. Settlement Claim Forms and any Supporting Documentation shall be deemed timely submitted by Class Members if postmarked by the deadline stated on the Settlement Claim Form (which shall be 60 days after the date of mailing by the Settlement Claims Administrator) ("Settlement Claim Form Due Date").
  - d. Class Members must provide copies of any Supporting Documentation along with their Settlement Claim Form(s), and all Supporting Documentation must be provided by the Settlement Claim Form Due Date. Any documentation received after the Settlement Claim Form Due Date will be rejected and may not be considered.
  - e. Class Members must complete, to the best of their ability, each and every field of their Settlement Claim Form(s).
3. Settlement Claims Administrator's Collection and Verification of Settlement Claim Forms
- a. The Settlement Claims Administrator shall examine all submitted Settlement Claim Forms for timeliness, signature by the Class Member(s) identified on the Settlement Claim Form, and notarization.
    - i. Each Settlement Claim Form must be returned to the Settlement Claims Administrator in an envelope postmarked by the Settlement Claim Form Due Date. If the envelope returning the form is not postmarked within this period, the Settlement Claims Administrator shall deny the claim.
    - ii. Claim forms must be signed by the applicable annuity owner(s) under oath and notarized. An authorized representative of the owner may sign for the owner and submit proof of authority to act on behalf of the owner (i.e., a power of attorney appointment). If an owner is deceased, the executor or personal representative of the estate may sign the Settlement Claim Form and submit proof of appointment to act on behalf of the estate. If a signature or notarization is missing, the Settlement Claims Administrator shall deny the claim.
  - b. The Settlement Claims Administrator shall send a letter, in a form agreed upon by the Parties, denying the claim to each Class Member whose claim form was not timely submitted, was not signed by the Class Member(s) identified on the Settlement Claim Form, or was not notarized. If a Class Member subsequently

completes and submits a Settlement Claim Form before the deadline that corrects the denial reason(s), the Settlement Claims Administrator shall accept it. The Settlement Claims Administrator shall send copies of any Settlement Claim Forms setting forth claims that are denied by the Settlement Claims Administrator, along with the associated denial letter, to counsel for the Parties.

- c. Upon completion of the Settlement Claim Form review, the Settlement Claims Administrator shall provide copies of all reviewed Settlement Claim Forms not denied for one of the reasons above, including all accompanying Supporting Documentation, to counsel for all Parties and to Allianz.

#### 4. Allianz's Review and Analysis of Settlement Claim Forms

- a. The calculation of settlement relief amounts, if any, for the Annuity Loss Component and the MFG Investment Loss Component for each Class Member ("Calculated Settlement Amount") shall be conducted by Allianz with respect to all Settlement Claim Forms forwarded by the Settlement Claims Administrator. Allianz shall designate one or more staff members who will be responsible for the determination of the Calculated Settlement Amounts.
- b. Allianz shall solely base its determination of the Calculated Settlement Amount for each Class Member upon (i) the Settlement Claim Forms and Supporting Documentation received from the Settlement Claims Administrator; (ii) its data relating to the annuities addressed in the Settlement Claim Forms; and (iii) such additional documents, if any, supplied by counsel for any Party that reflect income or distributions that Class Members received from Meadows or MFG, or from any other settlement or restitution source, in connection with any MFG Investment (but limited to produced documents in the Action, government investigative records relating to Sean Meadows or case records from the Meadows criminal matter) ("Supplemental Settlement Calculation Documents").
  - i. Supplemental Settlement Calculation Documents must be submitted by counsel for the Parties to Allianz for consideration within 14 days of the date that the Settlement Claims Administrator simultaneously provides to Allianz and to counsel for each Party the verified Settlement Claim Forms and Supporting Documentation.
  - ii. Counsel for the Parties shall not submit any briefing or argument to Allianz relating to any matter including the determination of the Calculated Settlement Amount, but may provide a cover communication that simply identifies the Supplemental Settlement Calculation Documents submitted to Allianz.
- c. The Parties have agreed upon the following process for review and calculation to be employed by the Allianz staff member(s) in determining the Calculated Settlement Amount for each Class Member consistent with the terms of the

Settlement Outline, the Claims Process Outline and this Claims Process Rules document.

- d. Step One: Settlement Claim Form Review, to Determine Whether There Is a Connection Between a Surrender and Qualified Investment
  - i. In order for Class Members to be entitled to settlement relief, they must meet the precondition that they partially or fully surrendered their annuities, and then used some or all of such surrender proceeds to (1) purchase a replacement annuity through Meadows; or (2) invest in an MFG Investment. This new purchase/investment must have been made within 15 days before or after the effective date of the Class Member's Allianz annuity surrender(s). Thus, Allianz must determine whether the Class Member's Settlement Claim Form provides information sufficient to demonstrate that the Class Member's transaction(s) satisfies these requirements.
  - ii. Some annuities may have multiple partial surrenders and/or a full surrender. Allianz must conduct its review on a transaction-by-transaction basis.
  - iii. If the Class Member's Settlement Claim Form does not reflect that he or she used any part of a transaction's surrender proceeds to (1) purchase a replacement annuity through Meadows; or (2) invest in an MFG Investment, then any claim for this transaction must be denied. In no event shall the MFG Investment Loss Component calculated for a surrender transaction exceed the amount of the surrender proceeds for that transaction.
  - iv. If the Class Member's Settlement Claim Form states that he or she used all or a part of the transaction's surrender proceeds to (1) purchase a replacement annuity through Meadows; or (2) invest in an MFG Investment, then Allianz must confirm that the purchase or investment took place within 15 days of the effective date of the surrender transaction.
    1. If the Class Member's Settlement Claim Form states that he or she purchased another annuity, then the Class Member must provide Supporting Documentation (as defined above) reflecting payment to another insurance company in the amount of the surrender proceeds. If the Class Member does not provide such documentation, then this part of the claim must be denied. If the Class Member provides such documentation, then Allianz shall designate the transaction at issue as constituting an "Annuity Replacement."
      - a. If the amount of money the Class Member used to pay the initial premium on the replacement annuity is less than the amount of the surrender proceeds listed in the Settlement Claim Form for this transaction, then Allianz must determine the proportion of the surrender proceeds from the transaction used to fund the initial premium on the replacement annuity,

as follows: initial premium ÷ transaction surrender proceeds = “Pro Rata Annuity Loss Proportion.” Allianz should calculate a Pro Rata Annuity Loss Proportion for each such surrender transaction and label it accordingly.

2. If the Class Member’s Settlement Claim Form states that he or she invested surrender proceeds in an MFG Investment **before October 1, 2013**, then the Class Member must show the investment payment to MFG was made by means of a check, electronic transfer or other documented payment method to MFG dated within 15 days before or after the effective date of the Class Member’s Allianz annuity surrender transaction. The Class Member may make this showing in one of two ways:
  - a. The Class Member may provide Supporting Documentation, as previously defined. Allianz must determine whether the investment in the amount claimed by the Class Member occurred within 15 days before or after the surrender transaction at issue. If the Supporting Documentation provided by the Class Member corroborates the narrative provided by the Class Member in the Settlement Claim Form as to the entire amount of the surrender proceeds disbursed by Allianz for the transaction at issue, then Allianz shall designate the transaction and that amount as constituting a “Pre-10/1/2013 Supported Allianz Amount Invested.” If only a part of the amount claimed is verified by Supporting Documentation, then Allianz may only designate as “Pre-10/1/2013 Supported Allianz Amount Invested” that part of the transaction proceeds that can be verified as invested with MFG by Supporting Documentation. If any portion of the transaction proceeds at issue is not verified as having been invested with MFG by Supporting Documentation, Allianz shall review that portion of the transaction as if Unsupported, as described immediately below.
  - b. If the Class Member does not provide Supporting Documentation but the Class Member’s Settlement Claim Form states that he or she invested the surrender proceeds at issue with MFG within 15 days before or after the surrender transaction at issue, Allianz shall designate the particular claimed investment with MFG as constituting an “Unsupported Allianz Amount Invested.”
  - c. If the Pre-10/1/2013 Supported Allianz Amount Invested or the Unsupported Allianz Amount Invested is less than the amount of the surrender proceeds listed in the Settlement Claim Form for this transaction, then Allianz must determine

the proportion of the surrender proceeds from the transaction used to fund the MFG Investment, as follows: (Pre-10/1/2013 Supported Allianz Amount Invested or Unsupported Allianz Amount Invested) ÷ transaction surrender proceeds = “Pro Rata Annuity Loss Proportion.” Allianz should calculate a Pro Rata Annuity Loss Proportion for each such surrender transaction and label it accordingly.

- d. Allianz must total all Pre-10/1/2013 Supported Allianz Amount(s) Invested, which sum is the “Total Pre-10/1/2013 Supported Allianz Amount Invested” for the particular annuity corresponding to the Settlement Claim Form under review.
3. If the Class Member’s Settlement Claim Form states that he or she invested surrender proceeds in an MFG Investment **after October 1, 2013**, then the Class Member must show the investment payment to MFG was made by means of a check, electronic transfer or other documented payment method to MFG dated within 15 days before or after the effective date of the Class Member’s Allianz annuity surrender transaction. The Class Member may make this showing in one of two ways:
- a. The Class Member may provide Supporting Documentation, as previously defined. Allianz must determine whether the investment in the amount claimed by the Class Member occurred within 15 days before or after the surrender transaction at issue. If the Supporting Documentation provided by the Class Member corroborates the narrative provided by the Class Member in the Settlement Claim Form as to the entire amount of the surrender proceeds disbursed by Allianz for the transaction at issue, then Allianz shall designate the transaction and that amount as constituting a “Post-10/1/2013 Supported Allianz Amount Invested.” If only a part of the amount claimed is verified by Supporting Documentation, then Allianz may only designate as “Post-10/1/2013 Supported Allianz Amount Invested” that part of the transaction proceeds that can be verified as invested with MFG by Supporting Documentation. If any portion of the transaction proceeds at issue is not verified as having been invested with MFG by Supporting Documentation, Allianz shall review that portion of the transaction as if Unsupported, as described immediately below.
  - b. If the Class Member does not provide Supporting Documentation but the Class Member’s Settlement Claim Form states that he or she invested the surrender proceeds at

issue with MFG within 15 days before or after the surrender transaction at issue, Allianz shall designate the particular claimed investment with MFG as constituting an “Unsupported Allianz Amount Invested.”

- c. If the Post-10/1/2013 Supported Allianz Amount Invested or the Unsupported Allianz Amount Invested is less than the amount of the surrender proceeds listed in the Settlement Claim Form for the corresponding transaction, then Allianz must determine the proportion of the surrender proceeds from the transaction used to fund the MFG Investment, as follows:  $(\text{Post-10/1/2013 Supported Allianz Amount Invested or Unsupported Allianz Amount Invested}) \div \text{transaction surrender proceeds} = \text{“Pro Rata Annuity Loss Proportion.”}$  Allianz should calculate a Pro Rata Annuity Loss Proportion for each such surrender transaction and label it accordingly.
  - d. Allianz must total all Post-10/1/2013 Supported Allianz Amount(s) Invested, which sum is the “Total Post-10/1/2013 Supported Allianz Amount Invested” for the particular annuity corresponding to the Settlement Claim Form under review.
4. Allianz must further calculate the sum of all Unsupported Allianz Amount(s) Invested, whether before or after October 1, 2013, which constitutes the “Total Unsupported Allianz Amount Invested” for the particular annuity corresponding to the Settlement Claim Form under review.
  5. Allianz must also review Settlement Claim Forms for information about each Class Member’s overall MFG Investments.
    - a. Class Members’ Settlement Claim Forms must explain the total amount of money they invested with MFG, regardless of source of funding. The total amount is the “Total MFG Investment,” for the particular Class Member. No documentary evidence is required to prove the Total MFG Investment. If a Class Member’s Settlement Claim Form does not state the total amount invested with MFG, Allianz shall assume the Total MFG Investment is equal to the Class Member’s Total Pre-10/1/2013 Supported Allianz Amount Invested, Total Post-10/1/2013 Supported Allianz Amount Invested or Unsupported Allianz Amount Invested, depending on the category applicable to the Class Member’s claim.



$10/1/2013 \text{ Supported Allianz Amount Invested} \div \text{Total MFG Investment}) \times \text{Total MFG Income} = \text{“Pre-10/1/2013 Supported MFG Investment Loss.”}$

- iii. If Allianz has calculated a Post-10/1/2013 Supported Allianz Amount Invested for a Class Member, Allianz shall perform this calculation:  $\text{Total Post-10/1/2013 Supported Allianz Amount Invested} - ((\text{Total Post-10/1/2013 Supported Allianz Amount Invested} \div \text{Total MFG Investment}) \times \text{Total MFG Income}) = \text{“Post-10/1/2013 Supported MFG Investment Loss.”}$
- iv. If Allianz has calculated an Unsupported Allianz Amount Invested for a Class Member, Allianz shall perform this calculation:  $\text{Unsupported Allianz Amount Invested} - ((\text{Unsupported Allianz Amount Invested} \div \text{Total MFG Investment}) \times \text{Total MFG Income}) = \text{“Unsupported MFG Investment Loss.”}$

g. Step Four: Calculated Settlement Amount

- i. As stated above, the potential settlement relief available to Class Members falls into four potential buckets: (1) 50% of Annuity Loss calculated as stated above, (2) 12% of MFG Investment Loss without Supporting Documentation, (3) 40% of MFG Investment Loss occurring before October 1, 2013 with Supporting Documentation, and (4) 50% MFG Investment Loss occurring after October 1, 2013 with Supporting Documentation.
- ii. Thus, Allianz shall perform the following calculations:
  1.  $\text{Total Annuity Loss} \times 50\% = \text{“Annuity Loss Component.”}$
  2.  $\text{Pre-10/1/2013 Supported MFG Investment Loss} \times 40\% = \text{“Pre-October 1, 2013 Supported MFG Investment Loss Payout.”}$
  3.  $\text{Post-10/1/2013 Supported MFG Investment Loss} \times 50\% = \text{“Post-October 1, 2013 Supported MFG Investment Loss Payout.”}$
  4.  $\text{Unsupported MFG Investment Loss} \times 12\% = \text{“Unsupported MFG Investment Loss Payout.”}$
  5.  $\text{Pre-October 1, 2013 Supported MFG Investment Loss Payout} + \text{Post-October 1, 2013 Supported MFG Investment Loss Payout} + \text{Unsupported MFG Investment Loss Payout} = \text{“MFG Investment Loss Component”}$
  6.  $\text{Annuity Loss Component} + \text{MFG Investment Loss Component} = \text{Calculated Settlement Amount.}$

- iii. Allianz shall provide to counsel for each Party the Calculated Settlement Amount for each eligible Class Member within 60 days of the submission deadline for the Supplemental Settlement Calculation Documents.
- iv. Any review of Allianz's calculation of the Calculated Settlement Amount for any eligible Class Member shall be conducted in accordance with the procedure set forth in the Claims Process Outline.

5. Payment of Calculated Settlement Amounts to Class Members

- a. Allianz shall handle the processing and mailing of payments of the Calculated Settlement Amounts to the Class Members along with a letter stating the amount paid to the Class Member for the Annuity Loss Component and the MFG Investment Loss Component.
- b. Payments shall be made to Class Members within 30 days of the date upon which (i) Allianz provides counsel for each Party with the Calculated Settlement Amount for each eligible Class Member as to which no Party files a notice of disagreement within the 14-day period; (ii) counsel for the Parties resolve any notice of disagreement as to the Calculated Settlement Amount for any eligible Class Member if such a notice is provided and resolved; or (iii) the Presiding Neutral makes a final determination as to the Calculated Settlement Amount for any eligible Class Member if a request for review to the Presiding Neutral is made by counsel for any Party.
- c. Allianz shall also make a separate payment to Richard Burnham, Doris Burnham, Fletcher Lewis, Nancy Mayer-Gosz, and Robert Berthiaume of \$15,000 each, which constitutes the Class Representative Incentive Awards.

US.128719743.05

# EXHIBIT E

\_\_\_\_\_, 2020

[INSERT NAME OF OWNER]  
[INSERT OWNER'S ADDRESS]  
[CITY, STATE, ZIP]

You were previously mailed a Notice about the proposed settlement to resolve the dispute between Plaintiffs, Allianz Life Insurance Company of North America, and Imeriti, Inc. in a case known as *Berthiaume, et al. v. Allianz Life Insurance Company of North America, et al.*, pending in the Fourth Judicial District Court for Hennepin County, Minnesota. You were sent the Notice and accompanying materials because you are listed as a current or former owner of an Allianz Life annuity that is covered by the proposed settlement.

The proposed settlement has now been approved by the Court and you are entitled to participate in the Claim Process by returning the enclosed Claim Form.

To participate in the Claim Process and request the settlement benefits offered under the settlement, you must complete the Claim Form, have it notarized, and then return it to the Settlement Claims Administrator, postmarked by \_\_\_\_\_, \_\_, 2020. Please note that Claim Forms that are not completed, signed, and notarized will be invalid and you will not be eligible to receive any settlement benefits.

Please read and carefully follow the instructions on the enclosed Instructions for Class Action Claim Form.

If you need further information, you may contact the Settlement Claims Administrator at 1-800-xxx-xxxx or Class Counsel at (612) 349-5693.

## INSTRUCTIONS FOR CLASS ACTION CLAIM FORM

### Important Information About Making a Claim for Settlement Relief

*Berthiaume v. Allianz Life Insurance Co. of North America and Imeriti, Inc.*, Court File No. 27-CV-17-15118 (Hennepin County District Court, State of Minnesota)

### Should I Complete the Class Action Claim Form?

#### Eligibility for Settlement Relief

Our records reflect that you purchased an Allianz Life annuity from Sean M. Meadows between January 1, 2004 and August 5, 2014 and that you partially or fully surrendered the annuity or you withdrew funds from the annuity on or before August 5, 2014.

As a result, you may be eligible for a settlement payment if you did one or both of the following within fifteen (15) days before or after your withdrawal/surrender was processed by Allianz Life:

- a. You purchased a new annuity from Sean M. Meadows from an insurance company other than Allianz Life using some or all of your money from Allianz Life, and you paid the initial premium on the new annuity using a check, electronic transfer, or other documented payment method; or
- b. You invested some or all of your funds from Allianz Life in a fictional bond fund, real estate fund, or other fraudulent investment offered by Sean M. Meadows or Meadows Financial Group that was the subject of the federal government's criminal case against Mr. Meadows.

### General Instructions

#### How to Make a Claim for Settlement Relief

If you meet the Eligibility for Settlement Relief criteria above and you wish to make a claim for Settlement Relief, you **must** complete the following steps, as set forth below:

1. Complete the enclosed Class Action Claim Form(s) ("Claim Form(s)");
2. Sign the Claim Form(s) under oath; and
3. Return the Claim Form(s) no later than [insert date], 2021 (the "Claim Deadline") to the Settlement Claims Administrator.

### Separate Claim Forms Needed

A separate Claim Form is required for each Allianz Life annuity for which you seek Settlement Relief (a "Settlement Annuity"). Please note that this packet only contains Claim Form(s) for Allianz Life annuities you own or owned that are potentially eligible for Settlement Relief.

### All Owners Must Sign

All persons who were owners of a Settlement Annuity when it was surrendered or when funds were withdrawn must sign the Claim Form for that annuity. If one of the owners is unable to sign the Claim Form, an authorized representative, who submits evidence of his/her representative capacity and legal authority to act on behalf of the owner (such as a Power of Attorney or document identifying the representative as Personal Representative), may sign the Claim Form. If an owner is now deceased, an authorized representative of the owner's estate may sign the Claim Form. A Claim Form will be rejected, and the claim will not be eligible for Settlement Relief, unless all owners (or a representative(s) for owner(s) who submit proof of authority to act) sign the Claim Form and have their signatures notarized.

### Settlement Payments for a Settlement Annuity with Multiple Owners

If a Claim is approved and entitled to a Settlement payment for a Settlement Annuity with multiple owners, Allianz Life will divide the Settlement payment between the owners based on the percentage ownership of each owner at the time of the transaction giving rise to the Settlement payment. For example, if an owner owns a 25% share of the Settlement Annuity, they will receive 25% of the total Settlement payment.

### Supporting Documentation

If your Claim Form is approved for Settlement Relief, you may receive more money if you submit with your Claim Form documents that show that you meet the eligibility requirements described in the "Eligibility for Relief" section above. **Please only send copies of documents – do not send originals. Any documents you send will not be returned to you.**

Only the following documents will be accepted as evidence that you used surrender money from an Allianz Life annuity to invest in a new annuity purchased from Meadows or to invest in a Meadows Financial Group product:

1. Canceled checks
2. Wire transfer receipts

3. Bank statements establishing payment or receipt of funds
4. Contemporaneous investment documentation issued by Sean Meadows or Meadows Financial Group (for example, documents that were created by Meadows or that you received from Meadows around the same time you invested in the new annuity)
5. Policy records showing your purchase of a new annuity

More information about the Supporting Documentation is available in the Claims Process Rules, a copy of which is available on the website [www.meadowsconsumerclassnotice.com](http://www.meadowsconsumerclassnotice.com).

With respect to Claim Form Question 2, regarding investments in a fictitious bond fund, real estate fund, or other fraudulent investment offered by Sean Meadows or Meadows Financial Group, you must provide three types of information in order to submit a Claim for Settlement Relief:

- a. Provide the total amount of money that you invested in a fictitious bond fund, real estate fund, or other fraudulent investment offered by Sean M. Meadows or Meadows Financial Group *from any source* (not just your surrender of an Allianz Life annuity) and attach copies of any documents showing all amounts invested.
- b. For each investment made with Sean M. Meadows in a fictitious investment *using money from your Allianz Life surrender identified on the Claim Form*, attach copies of any documents showing these investments.
- c. If you received payments from Sean M. Meadows on your investment with him or Meadows Financial Group, you must provide a list of every such payment that you received, including the date of payment and amount of payment. If available, attach documents (e.g., canceled checks or bank statements) establishing the payments.

If you do not have documentation, you must state the amount and number of payments you received. For example, if you received annual, monthly, or other periodic payments from any of these sources, you must still provide this information even if you do not have canceled checks, bank statements, or other documents in your possession.

If you received restitution or settlement payments from any other source as part of the criminal proceeding against Sean M. Meadows, you must list the total dollar amount of settlement or restitution payments received.

### Notarization Required

All Claim Forms must be signed under oath and penalty of perjury before an authorized notary public, affirming that you executed the Claim Form making the required statements and affirmations under oath, and bearing the legally-appropriate notary stamp or seal from the notary.

### Deadline for Submission

To participate in the Claim Process, the Claim Form included in this packet must be fully completed, signed under oath, notarized, and returned to the Settlement Claims Administrator with any supporting information in the enclosed return envelope or mailed to the following address by United States Mail bearing a postmark not later than [date].

[Mailing Address]

### Settlement Relief

If you submit a timely, complete, signed, and notarized Claim Form by the Claim Deadline, your claim will be reviewed to determine whether you are entitled to receive a settlement payment and in what amount. If it is determined that you are entitled to a settlement payment, you will receive a settlement check upon conclusion of the claims review process. Please be patient.

### **If You Need Further Information**

If you have any questions or would like further information about the terms of the settlement, your eligibility for Settlement Relief under the Settlement Agreement, or how to make a claim for Settlement Relief or how to obtain notarization of your Claim Form, you may contact Class Counsel Best & Flanagan LLP, 60 South Sixth Street, Suite 2700, Minneapolis, MN 55402 or (612) 349-5693.

**CLASS ACTION CLAIM FORM**

You are receiving this Claim Form because you are a Class Member in the case of *Berthiaume v. Allianz Life Insurance Co. of North America and Imeriti, Inc.*, Court File No. 27-CV-17-15118 (Hennepin County District Court, State of Minnesota).

Please fully complete this claim form following the Instructions for Class Action Claim Form, enclosed with this document.

To file a valid claim, this form must be completed, signed and notarized under oath, and returned with supporting documents (if any) to the Settlement Claims Administrator with a postmark dated no later than [date]. Incomplete or late claim forms may be deemed ineligible for Settlement Relief, and your claim may be denied.

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**Allianz Life Annuity Information for this Claim Form:**

Policy owner: [Owner name(s)]

Policy number: [Policy number]

**Premium Received by Allianz Life:**

[date] [amount]

[date] [amount]

**Partial or Full Surrenders Taken from Policy During the Class Period:**

[date] [amount]

[date] [amount]

**PLEASE ANSWER THE FOLLOWING QUESTIONS:**

**QUESTION 1:** Did you use some/all of the money from any of the Allianz Life surrenders listed above to purchase a new annuity issued by an insurance company other than Allianz Life when Sean Meadows was your agent?

Yes       No

**IF YOU ANSWERED "YES" TO QUESTION 1,** please provide as much information as you can about the new annuity you purchased using the money from the Allianz Life surrender. If possible, please list the owner's name, policy number, purchase date, purchase amount, and issuing company. Attach any documents you have showing that

you used the money from the Allianz Life surrender to purchase the new annuity and showing that you worked with Sean M. Meadows to purchase the new annuity.

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[add additional pages if necessary]

**QUESTION 2:** Did you use some/all of the money from any of the Allianz Life surrenders listed at the top of this Claim Form to invest in a fictitious bond fund, real estate fund, or other fraudulent investment offered by Sean Meadows or Meadows Financial Group?

Yes       No

**IF YOU ANSWERED "YES" TO QUESTION 2:**

(a) Please state the total amount of money that you invested in the bond fund, real estate fund, or other investment offered by Sean Meadows or Meadows Financial Group from any source (not just the money from your Allianz Life surrender) and attach copies of documents (if any) showing your investments:

**Total Invested:** \$ \_\_\_\_\_

(b) For each investment that you made with Sean Meadows or Meadows Financial Group using money from your Allianz Life surrender listed at the top of this Claim Form, please identify the date(s) and amount(s) of each investment, describe where you invested the money (for example, Meadows Financial Group Bond), and attach copies of any documents showing the investment.

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[add additional pages if necessary]



**REQUIRED SIGNATURES**

All of the Owners listed on the first page of this Class Action Claim Form must sign and date the statement below.

**I declare under penalty of perjury that everything I have stated in this document is true and correct.**

\_\_\_\_\_  
Name of Owner (please print)

\_\_\_\_\_  
Signature of Owner

Date: \_\_\_\_\_

Subscribed and sworn before me

This \_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
NOTARY PUBLIC

\_\_\_\_\_  
Name of Co-Owner (if applicable) (please print)

\_\_\_\_\_  
Signature of Co-Owner (if applicable)

Date: \_\_\_\_\_

Subscribed and sworn before me

This \_\_\_ day of \_\_\_\_\_, 20\_\_

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NOTARY PUBLIC

*If applicable: If the person completing this Class Action Claim Form is not an Owner, please identify your name and your relationship to the owner on whose behalf you are submitting the Claim and submit proof of your legal authority to act in such a capacity – for example, a Power of Attorney or document identifying you as Personal Representative.*

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Name (please print)

---

Relationship to Owner

---

Signature

---

Date

# EXHIBIT F

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF HENNEPIN

FOURTH JUDICIAL DISTRICT

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Bonnie Berthiaume, Robert Berthiaume, Doris  
Burnham, Richard Burnham, Nancy Mayer-  
Gosz, Fletcher Lewis and Carole Lewis,

Court File No. 27-CV-17-15118  
Case Type: Contract/Other Civil

Plaintiffs,

**CONFESSION OF JUDGMENT OF  
CLASS COUNSEL**

vs.

Allianz Life Insurance Company of North  
America and Imeriti, Inc. d/b/a Imeriti  
Financial Network,

Defendants.

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Pursuant to Minn. Stat. § 548.22, Best & Flanagan LLP (“Class Counsel”) hereby confesses judgment in favor of Defendants Allianz Life Insurance Company of North America and Imeriti, Inc. (“Defendants”) in the amount of attorneys’ fees and costs paid to Class Counsel by Defendants, and authorizes the entry of judgment against Class Counsel, in that amount, less any payments which may have been made prior to the time of the Default, with respect to any obligation of Class Counsel to refund that amount to Defendants, as provided in and subject to the terms of the Stipulation of Settlement entered into between Plaintiffs and Defendants.

This confession of judgment is for a debt that may become justly due from Class Counsel to Defendants and arises out of the following facts:

1. Plaintiffs commenced an action in the Hennepin County District Court, State of Minnesota, against Defendants. Class Counsel was appointed as counsel for a class certified by the Court on February 15, 2019.

2. Plaintiffs and Defendants resolved their claims and entered into a Stipulation of Settlement under which they agreed as follows:

If no Class Member files a timely objection to the Court's final approval of the Settlement, Defendants' payment to Class Counsel of attorneys' fees and costs awarded to Class Counsel by the Court in an amount not to exceed \$1,750,000.00 shall be made within 15 days of the issuance of the Court's Final Order and Judgment. In the event that the Final Order and Judgment is reversed or modified by a final non-appealable order, or if the Settlement is cancelled or terminated by a final non-appealable order for any reason, Class Counsel shall refund all such attorneys' fees and costs to Defendants within 15 days from receiving notice from Defendants' counsel or from a court of competent jurisdiction. If such refund is not paid within 15 days from the date upon which it is due (which shall be deemed a "Default"), Defendants may, without further notice, file with the Court the Confession of Judgment executed by Class Counsel in the form attached to the Stipulation of Settlement as Exhibit F. If any Class Member files a timely objection to the Court's final approval of the Settlement, Defendants' payment to Class Counsel of attorneys' fees and costs awarded to Class Counsel by the Court in an amount not to exceed \$1,750,000.00 shall be made within 15 days of the Effective Date.

Stipulation of Settlement Dated September 1, 2020, at paragraph 37.

3. To induce Defendants to enter into the Stipulation of Settlement and agree to the terms set forth in paragraph 2 above providing for payment of attorneys' fees and costs to Class Counsel prior to the Effective Date in the event that no Class Member files a timely objection to the Court's final approval of the Settlement, Class Counsel agreed to execute this Confession of Judgment to secure its possible refund obligation under that provision.

4. In the event that Class Counsel fails to refund Defendants' payment of attorneys' fees and costs to Class Counsel as provided in paragraph 2 above, Class Counsel hereby authorizes and irrevocably empowers counsel for Defendants to appear for it in any Court in the State of Minnesota, at any time after said Default, and to confess judgment against Class Counsel in favor of Defendants in the amount of \$1,750,000, less any payments which may have been made prior to the time of the Default. Class Counsel shall also be liable for interest at the post-

judgment statutory rate on any judgment confessed, and all costs and disbursements incurred in connection with obtaining judgment.

5. Class Counsel specifically and voluntarily waives any hearing that may be required prior to obtaining a judgment by this Confession of Judgment. Class Counsel waives and releases all errors that may intervene in any such proceedings and consents to Defendants' immediate execution upon the judgment once entered.

6. This Confession of Judgment shall be binding upon Class Counsel's successors and assigns and shall be construed in accordance with the laws of the State of Minnesota.

7. Class Counsel warrants and represents it has signed this Confession of Judgment after full and careful consideration of its terms, and that it has not relied on any other person, party, or counsel, other than their own legal counsel, or on any statements, representation, or opinion of any other person, party, or counsel, other than their own legal counsel, in determining to sign this Confession of Judgment. Class Counsel fully understands the nature and effect of this Confession of Judgment, understands this Confession of Judgment will operate as a waiver of its right to trial prior to entry of judgment against it, and knowingly and voluntarily waives each and every such right.

8. This Confession of Judgment shall be construed in accordance with and be governed by the internal laws of the State of Minnesota. Class Counsel hereby consents to the exclusive jurisdiction and venue of such court, and expressly waives any and all defenses based on lack of personal jurisdiction, improper venue, or forum non conveniens.

***SIGNATURE PAGE FOLLOWS***

