

**UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA
ANDERSON DIVISION**

Thrift Development Corporation,

Plaintiff,

v.

American International Group, Inc.;
Chartis, Inc., and American Home Assurance
Co.,

Defendants.

Civil Action No. 8:12-cv-00861-BHH

**ORDER GRANTING PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

This matter comes before the Court upon Plaintiff Thrift Development Corporation's ("Plaintiff") Motion for Preliminary Approval of the Release and Settlement Agreement ("Settlement Agreement") entered into among the Settling Parties in this Action. Good cause appearing, IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

1. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Settlement Agreement.

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1332, and has personal jurisdiction over the Settling Parties. Venue is proper in this District.

3. This Action is provisionally certified as a class action, for the purposes of settlement only, pursuant to Federal Rules of Civil Procedure 23(a), 23(b)(3) and 23(e). The Settlement Class is defined as follows:

All policyholders that filed a workers compensation claim in South Carolina pursuant to a policy issued by any of the AIG Defendants and/or the AIG Affiliates with a policy effective date of June 27, 1999 or later, where subsequent to the claim: (i) any of the AIG Defendants and/or the AIG Affiliates received a

third-party recovery that it was required to report to NCCI under the applicable NCCI reporting rules and South Carolina law; and (ii) the employer had one or more ex-mods that incorporated such claim but, as of March 26, 2012, did not account for the third-party recovery.

4. Certification of the Settlement Class shall be solely for settlement purposes and without prejudice to the Settling Parties in the event the Settlement Agreement is not finally approved by this Court or otherwise does not take effect. Certification of the Settlement Class shall not be cited as precedent in any future case against the AIG Defendants and/or the AIG Affiliates.

5. The Court preliminarily approves the proposed Settlement Agreement as fair, reasonable and adequate, entered into in good faith, free of collusion and within the range of possible judicial approval.

6. The Court appoints Plaintiff Thrift Development Corporation (“Plaintiff”) as class representative of the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure. The Court finds that Plaintiff has fairly and adequately represented the interests of the Settlement Class and will continue to do so.

7. The Court appoints the following counsel as Class Counsel for the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure: James C. Bradley of Richardson, Patrick, Westbrook & Brickman, LLC; Roger N. Heller of Lief Cabraser Heimann & Bernstein, LLP; and Michael P. Thornton of Thornton Law Firm LLP. The Court finds that Class Counsel have fairly and adequately represented the interests of the Settlement Class and will continue to do so.

8. The Court appoints Gilardi & Co., LLC (“Gilardi”) to serve as Administrator, and directs Gilardi to carry out all duties and responsibilities of the Administrator specified in the Settlement Agreement.

9. The Court appoints Advanced Insurance Management, LLC (“AIM”) to serve as Calculation Advisor, and directs AIM to carry out all duties and responsibilities of the Calculation Advisor specified in the Settlement Agreement.

10. The Court approves the proposed program for disseminating notice to the Settlement Class set forth in the Settlement Agreement (the “Notice Program”). The Court approves the form and content of the proposed form of notice, in the form attached as Exhibit A to the Settlement Agreement. The Court finds that the proposed form of notice is clear and readily understandable by Class Members. The Court finds that the Notice Program, including the proposed forms of notice, constitutes the best notice practicable under the circumstances, constitutes valid, due and sufficient notice to the Settlement Class in full compliance with the requirements of applicable law, including Federal Rule of Civil Procedure 23 and the Due Process Clause of the United States Constitution, and is the only notice to the Settlement Class of the Settlement Agreement that is required.

11. By no later than fifteen (15) days following the entry of this Order, the AIG Defendants shall provide to the Administrator a list (the “Settlement Class List”) that includes for each Class Member (a) the entity’s name; and (b) the last known mailing address, to the extent such information can be identified through reasonable efforts from the AIG Defendants’ records.

12. The “Notice Date” shall be thirty (30) days following the entry of this Order.

13. By no later than the Notice Date, the Administrator shall send, by first-class mail, postage prepaid, a copy of the Notice, substantially in the form attached as Exhibit A to the Settlement Agreement, to each entity included in the Settlement Class List. For any Notice that is returned undeliverable with forwarding address information, the Administrator shall promptly

re-mail the Notice to the new address indicated. For any Notice that is returned undeliverable without forwarding address information, the Administrator shall make reasonable efforts to identify an updated address and shall re-mail the Notice to the new address as identified.

14. The Court approves the claim process set forth in the Settlement Agreement, including the proposed Claim Form in the form attached at the back of Exhibit A to the Settlement Agreement. Class Members that wish to submit a Claim shall have the option of submitting Claim Forms online via a dedicated settlement website or by mail. The “Claim Deadline” shall be one-hundred-twenty (120) days following the entry of this Order. Claims submitted online must be submitted by the Claim Deadline. Claims submitted by mail must be postmarked no later than the Claim Deadline.

15. Any Class Member that wishes to be excluded from the Settlement Class must mail a written request for exclusion to the Administrator at the address provided in the Notice, postmarked no later than forty-five (45) days following the Notice Date (*i.e.*, seventy-five (75) days following entry of this Order), and must include the information described in the Notice. If the Settlement Agreement is finally approved and there is a Final Settlement Date as defined in the Settlement Agreement, any Class Member that does not send a timely and valid request for exclusion shall be a Settlement Class Member and shall be bound by all subsequent proceedings, orders, and judgments in the Action, including, but not limited to, the release provisions set forth in Section VIII of the Settlement Agreement.

16. Any Settlement Class Member may object to the Settlement Agreement, Class Counsel’s request for attorneys’ fees and expenses (“Fee Application”), and/or any request for a Service Award for Plaintiff. To be considered, an objection must be made in writing, must be sent to the Clerk of Court, Class Counsel, and AIG Defendants’ Counsel (at the addresses

identified in the Notice), be postmarked no later than forty-five (45) days following the Notice Date (*i.e.*, seventy-five (75) days following entry of this Order), and include all of the information described in the Notice. Any Settlement Class Member who does not object in the foregoing manner shall be deemed to have waived all objections and shall be foreclosed from making any objections to the Settlement Agreement, Class Counsel's Fee Application, and any request for a Service Award for Plaintiff.

17. Any Settlement Class Member who submits a timely and valid written objection may appear at the Fairness Hearing, either in person or through personal counsel hired at the Settlement Class Member's own expense, if they indicate in their written objection their intent to appear at the Fairness Hearing.

18. The Administrator shall promptly after receipt provide to Class Counsel and the AIG Defendants' Counsel copies of any requests for exclusion and objections, including any related correspondence.

19. At or before the Fairness Hearing, Class Counsel and/or the Administrator shall cause to be filed with this Court a list of Class Members that submitted timely and valid requests to be excluded from the Settlement Class.

20. The Court directs that the Fairness Hearing be scheduled for December 16, 2015, at 10 o'clock a.m. to assist the Court in determining whether the proposed Settlement Agreement should be finally approved as fair, reasonable and adequate to the Settlement Class Members; whether Final Judgment should be entered dismissing the Action with prejudice; whether Class Counsel's Fee Application should be approved; and whether any request for a Service Award for Plaintiff should be approved.

21. The Settling Parties shall file any motions in support of final approval of the Settlement Agreement by no later than forty-five (45) days following the entry of this Order. Class Counsel shall file their Fee Application and any request for a Service Award for Plaintiff by no later than forty-five (45) days following the entry of this Order. After it is filed, Class Counsel's Fee Application and request for a Service Award for Plaintiff shall be posted on the dedicated settlement website.

22. The Settling Parties shall file any responses to any Settlement Class Member objections, and any reply papers in support of final approval of the Settlement Agreement, Class Counsel's Fee Application, or request for Service Award for Plaintiff, by no later than one-hundred-twenty (120) days following the entry of this Order.

23. The Court reserves the right to adjourn and/or reschedule the Fairness Hearing without further notice of any kind; therefore, any Settlement Class Member intending to attend the Fairness Hearing should (in addition to complying with all instructions and requirements above) confirm the date, time and location of the Fairness Hearing with Class Counsel.

24. This Order shall become null and void and shall be without prejudice to the rights of the Settling Parties, all of whom shall be restored to their respective positions existing immediately before the Court entered this Order, if: (a) the Settlement Agreement is not finally approved by the Court; (b) the Settlement Agreement is terminated in accordance with the Settlement Agreement; or (c) the Final Settlement Date does not occur pursuant to the terms of the Settlement Agreement for any other reason. In such event: the Settlement Agreement shall become null and void and be of no further force and effect; and neither the Settlement Agreement nor the Court's orders relating to the Settlement Agreement, including this Order, shall be used for any purpose or be construed as an admission, concession, or declaration by or

against the AIG Defendants of any fault, wrongdoing, breach, or liability, or be construed as an admission, concession, or declaration by or against Plaintiff or any Class Members that their claims lack merit or that the relief requested is inappropriate, improper, or unavailable, or as a waiver by any party of any defenses or claims he, she, or it may have in this Action or in any other lawsuit.

25. Pending the final determination of whether the Settlement Agreement should be approved, all non-settlement related proceedings in the Action are hereby stayed. If the Settlement Agreement is terminated or the Final Settlement Date does not occur for any other reason, the stay shall be terminated.

26. Pending the final determination of whether the Settlement Agreement should be approved, Plaintiff and each Settlement Class Member, and any person purportedly acting on behalf of any Settlement Class Member(s), are hereby stayed and enjoined from commencing, pursuing, maintaining, enforcing or prosecuting, either directly or indirectly, any Released Claims in any judicial, administrative, arbitral or other forum, against the AIG Releasees; provided, that this injunction shall not apply to individual claims of any Class Member that has timely and properly requested exclusion from the Settlement Class as permitted by the Court. This injunction is necessary to protect and effectuate the Settlement Agreement, this Order and the Court's flexibility and authority to effectuate the Settlement Agreement and to enter judgment when appropriate, and is ordered in aid of this Court's jurisdiction and to protect its judgments.

27. The following chart summarizes the dates and deadlines set by this Order:

Last day for AIG Defendants to provide Class Member List to the Administrator	August 27, 2015
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Notice Date	September 11, 2015
Last day for: (a) the Parties to file any motions in support of final approval of the Settlement Agreement; and (b) Class Counsel to file their Fee Application and request for service award for Plaintiff	September 28, 2015
Opt-Out Deadline	October 26, 2015
Objection Deadline	October 26, 2015
Last day for the Parties to file any responses to objections, and any reply papers in support of final approval of the Settlement Agreement or Class Counsel's Fee Application or request for Plaintiff service award	December 10, 2015
Claim Deadline	December 10, 2015
Fairness Hearing	December 16, 2015 at 10:00 a.m.

IT IS SO ORDERED.

Dated: August 12, 2015

s/ Bruce Howe Hendricks
United States District Judge