

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF TENNESSEE  
WESTERN DIVISION**

IN RE REGIONS MORGAN KEEGAN SECURITIES, DERIVATIVE AND  
ERISA LITIGATION

MDL Docket No. 2009

This Document Relates to:

*In re Regions Morgan Keegan Open-End Mutual Fund Litigation,*  
No. 2:07-cv-02784-SHM-dkv

And

*Landers, et al. v. Morgan Asset Management, Inc., et al.,*  
No. 2:08-cv-02260-SHM-dkv

**NOTICE OF PENDENCY AND PROPOSED  
SETTLEMENT OF CLASS AND DERIVATIVE  
ACTIONS AND MOTION FOR ATTORNEYS'  
FEES AND EXPENSES**

- (1) If you purchased during the period December 6, 2004 through December 6, 2007 or held and/or redeemed during the period July 3, 2006 through May 29, 2009 ("Holder/Sellers Loss Period") shares in the Regions Morgan Keegan Select Short Term Bond Fund ("STF") (MSTBX, RSTCX, MSBIX), the Regions Morgan Keegan Select Intermediate Bond Fund ("IBF") (MKIBX, RIBCX, RIBIX), and/or the Regions Morgan Keegan Select High Income Fund ("HIF") (MKHIX, RHICX, RHIIX) (collectively "the Funds") and you are not excluded by the terms of the settlement ("Settlement Class"), you may be entitled to a payment from the settlement of a class action brought on behalf of shareholders in the Funds ("Class Settlement").
- (2) If you were a shareholder of one or more of the Funds on May 29, 2009, the date on which the liquidation of the Funds was approved by the shareholders of the Funds, and you are not excluded by the terms of the settlement ("Funds Shareholders"), you may be entitled to a payment from the settlement of a derivative action brought on behalf of the Funds ("Derivative Settlement").

*A federal court authorized this notice. This is not a solicitation from a lawyer.*

If approved by the Court, the proposed Class Settlement and the proposed Derivative Settlement (collectively referred to as the "Settlement") provides for:

- A \$125 million cash settlement fund for the benefit of eligible investors in the Funds (the "Settlement Amount").
- \$110 million of the Settlement Amount will be allocated to the Settlement Class ("Class Settlement Amount"), which together with earnings thereon ("Class Settlement Fund") will be distributed, after fees and expenses ("Net Class Settlement Fund"), to persons who are members of the Settlement Class ("Settlement Class Members"), as part of the settlement of the Class Action Lawsuit;
- \$15 million of the Settlement Amount will be allocated to the Funds ("Funds Settlement Amount"), which together with earnings thereon ("Funds Settlement Fund") will be distributed, after fees and expenses ("Net Funds Settlement Fund"), to the Funds Shareholders, as part of the settlement of the Derivative Action Lawsuit.
- Unless excluded by the terms of the Derivative Settlement Agreement, Funds Shareholders shall receive distributions from the Net Funds Settlement Fund ("Funds' Distribution") without regard to whether they elect to exclude themselves from the Class Settlement. To the extent that Funds Shareholders are also eligible to receive distributions from the Net Class Settlement Fund, their Funds' Distribution will be deducted from their *pro rata* share of the Net Class Settlement Fund ("Class Distribution").
- The Class Settlement resolves claims by plaintiffs in the Class Action Lawsuit that the Class Action Defendants (defined below) made misrepresentations and omissions in the Funds' public filings and other public statements to investors about the risks and types of assets in which the Funds invested, and therefore allegedly violated various provisions of the federal securities laws.
- The Derivative Settlement resolves claims by plaintiffs in the Derivative Action Lawsuit on behalf of the Funds against the Derivative Action Defendants (defined below), alleging that they mismanaged the Funds or negligently rendered services to the Funds.
- The Settlement avoids the costs and risks of continuing the Class Action Lawsuit and Derivative Action Lawsuit (collectively, "Lawsuits"), pays money to Persons who invested in the Funds, and releases Defendants from liability (under the terms set forth in the Class and Derivative Settlement Agreements).

<sup>1</sup> All capitalized terms used in this Notice are defined herein, in the Stipulation and Agreement of Class Settlement (the "Class Settlement Agreement"), dated as of January 19, 2015, or in the Stipulation and Agreement of Derivative Action Settlement ("Derivative Settlement Agreement"), dated as of January 19, 2015.

YOUR LEGAL RIGHTS AND OPTIONS IN THE CLASS SETTLEMENT AS A SETTLEMENT CLASS MEMBER	
<b>SUBMIT A PROOF OF CLAIM AND RELEASE FORM BY AUGUST 7, 2016</b>	As a Settlement Class Member, this is the only way to get a payment from the Net Class Settlement Fund.
<b>EXCLUDE YOURSELF BY MAY 6, 2016</b>	Get no payment from the Net Class Settlement Fund. As a Settlement Class Member, this is the only option that allows you to ever bring, continue to pursue, or be part of any other legal action involving the Released Claims (defined below) against the Released Defendant Parties (defined below).
<b>OBJECT BY MAY 6, 2016</b>	Write to the Court about why you do not like the Class Settlement, the proposed Plan of Allocation, and/or the request for attorneys' fees and expenses. You will still be a member of the Settlement Class.
<b>GO TO A HEARING ON MAY 27, 2016</b>	You may ask to speak in Court about the Class Settlement at the Settlement Hearing.
<b>DO NOTHING</b>	As a Settlement Class Member, if you do nothing you will get no payment and you will give up your rights to bring, continue to pursue, or to be part of any other legal action involving the Released Claims (defined below) against the Released Defendant Parties (defined below).

YOUR LEGAL RIGHTS AND OPTIONS IN THE DERIVATIVE SETTLEMENT AS A FUNDS SHAREHOLDER	
<b>NO PROOF OF CLAIM AND RELEASE</b>	If you are a Funds Shareholder (and not excluded from the Derivative Settlement as explained below), you need not submit a Proof of Claim and Release to share in the Funds' Distribution. This is separate from the distribution from the Class Settlement Fund. As discussed above, you must submit a Proof of Claim and Release form to be paid from the Class Settlement Fund.
<b>NO OPTION TO EXCLUDE YOURSELF</b>	If you are a Funds Shareholder, you do not have the opportunity to exclude yourself from the Derivative Settlement; excluding yourself from the Settlement Class does not affect your right to share in the Funds' Distribution.
<b>OBJECT BY MAY 6, 2016</b>	You may write to the Court about why you do not like the Derivative Settlement and/or the request for attorneys' fees and expenses. You will still receive your share of the Funds' Distribution.
<b>GO TO A HEARING ON MAY 27, 2016</b>	You may ask to speak in Court about the Derivative Settlement at the Settlement Hearing.
<b>DO NOTHING</b>	If you are a Funds Shareholder and if you do nothing, you will receive your share of the Funds' Distribution.
MOST OR ALL FUNDS SHAREHOLDERS ARE ALSO SETTLEMENT CLASS MEMBERS UNLESS EXCLUDED. MOST SETTLEMENT CLASS MEMBERS ARE NOT FUNDS SHAREHOLDERS BECAUSE THEY REDEEMED THEIR SHARES IN THE FUNDS BEFORE MAY 29, 2009.	

- Your legal rights are affected whether you act or do not act. Read this Notice carefully.
- The Court will review the Settlement at the Settlement Hearing to be held on May 27, 2016.
- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of these cases still has to decide whether to approve the Settlement and whether to certify a Settlement Class for purposes of the Class Settlement. Payments will be made if the Court approves the Settlement and after any appeals are resolved. This process may take significant time.

**(As Required by the Private Securities Litigation Reform Act of 1995 (“PSLRA”))**

**(a) Statement of Plaintiffs’ Recovery**

Pursuant to the Settlement, a Settlement Amount consisting of \$125 million in cash, plus any accrued interest, has been established, of which, pursuant to a separate agreement between the Funds and Derivative Plaintiffs and Lead Plaintiffs, \$110 million will be allocated to the Class Settlement, and \$15 million will be allocated to the Derivative Settlement. Based on the calculations shown in the Proof of Claim and Release Form (“Proof of Claim”) attached and in all Proofs of Claim submitted, and assuming that all Settlement Class Members entitled to participate do so, and assuming further that 89% of the Funds Shareholders’ Funds’ Distribution is set-off against their share of the Net Class Settlement Fund, and giving effect to the exclusions and other adjustments described below, and based in part on data provided by Defendant Regions Financial Corporation regarding such exclusions, Lead Plaintiffs estimate that the average overall recovery is about 33% of the aggregate Recognized Claims of all Settlement Class Members in all three Funds; an alternative calculation of the average overall recovery based on aggregate Compensable Losses of all Settlement Class Members in all three Funds (the methodology used by the State Regulators’ Fund and SEC Fair Fund) is about 46% (“Alternative Percentage Recovery”). This estimate is calculated before the deduction of Court-approved expenses, such as attorneys’ fees and expenses and administrative costs.

A Settlement Class Member’s actual recovery will be a portion of the Net Class Settlement Fund, determined by comparing his, her, or its “Recognized Claim” to the total Recognized Claims of all Settlement Class Members who submit an acceptable Proof of Claim. An individual Settlement Class Member’s actual recovery will depend on, for example: (1) the total number and dollar amount of claims submitted; (2) the Settlement Class Member’s holdings in one or more of the Funds during the “Holders/Sellers Loss Period” (July 3, 2006 through May 29, 2009); and (3) when those shares were redeemed. See the Plan of Allocation at Question 26 below for information on your Recognized Claim.

**(b) Statement of Potential Outcome if the Lawsuits Continued to Be Litigated**

The Parties disagree on both liability and the damages that would be recoverable if Plaintiffs in the Lawsuits were to prevail on one or more of the claims alleged. The issues on which the Parties disagree include, but are not limited to: (1) whether Defendants made any material misstatements or omissions; (2) whether the Funds' financial statements were improperly audited or were materially misleading; (3) whether the Funds were mismanaged, were insufficiently diversified, or violated their investment objectives, policies and restrictions; (4) whether any purchasers/holders of the Funds' shares have suffered damages as a result of the alleged misstatements and omissions in Defendants' public statements; (5) the appropriate measure of any such damages; (6) the amount by which the Funds' NAVs were inflated during the Class Period (if at all) and the extent to which external factors, such as general market and industry conditions, caused the Funds' and their shareholders' losses; (7) whether class members can pursue claims under the federal securities laws based on allegations of mismanagement; and (8) whether holders of securities, who did not purchase or sell in reliance on an alleged misrepresentation or omission, have standing to bring claims under the federal securities laws.

Defendants deny that they did anything wrong, deny any liability to Plaintiffs, and deny that the Funds, Plaintiffs and the Class have suffered any losses attributable to Defendants' actions. Plaintiffs believe that they and the Funds have meritorious claims, although they recognize that there are significant obstacles to a recovery.

**(c) Statement of Attorneys' Fees and Litigation Expenses Sought**

Counsel for the Lead and Derivative Plaintiffs have expended considerable time and effort for over eight years in the prosecution of this litigation without receiving any payment, and have advanced the expenses of the litigation, such as the cost of experts, in the expectation that, if they were successful in obtaining a recovery for the Class and the Funds, they would be paid from such recovery. In this type of litigation, it is customary for counsel to be awarded a percentage of the common fund recovered as attorneys' fees. Lockridge Grindal Nauen, P.L.L.P. ("Lead Counsel") intends to make a motion in the Lawsuits asking the Court to award attorneys' fees not to exceed 30% of the Settlement Amount and approve payment of litigation expenses incurred in prosecuting this action in an amount not to exceed \$1,300,000, plus any interest on such amounts at the same rate and for the same periods as earned by the Settlement Fund ("Fee and Expense Application"). If the Court approves the Fee and Expense Application, the percentage recovery will be reduced to 23% or, based on the Alternative Percentage Recovery, 32%. Claimants actual percentage recovery will vary depending on the number and aggregate losses of submitted claims and the number and aggregate losses of the claims accepted, and the administrative expenses associated with the claims process.

**(d) Further Information**

Further information regarding the Lawsuits and this Notice may be obtained by contacting the Claims Administrator: In re Regions Morgan Keegan Open-End Mutual Fund Litigation, c/o GCG, PO Box 10146, Dublin, Ohio 43017-3146, 1-855-382-6448, [www.rm kopenendfundsettlement.com](http://www.rm kopenendfundsettlement.com); [info@rm kopenendfundsettlement.com](mailto:info@rm kopenendfundsettlement.com); Lead Counsel: Richard A. Lockridge, Vernon J. Vander Weide, or Gregg M. Fishbein, Lockridge Grindal Nauen, P.L.L.P., 100 Washington Ave. S., Minneapolis, Minnesota 55401, 1-612-339-6900; or visiting [www.morgankeeganlawsuit.com](http://www.morgankeeganlawsuit.com).

**Do Not Call the Court with Questions About the Settlement**

**(e) Reasons for the Settlement**

The principal reason for the Settlement is the immediate benefit to the Settlement Class and the Funds Shareholders. This benefit must be compared to the risk that no recovery might be achieved after a trial and likely appeals, possibly years into the future.

For Defendants, who deny all allegations of wrongdoing or liability whatsoever, the principal reason for the Settlement is to eliminate the expense, risks, and uncertain outcome of the litigation.

**A. BASIC INFORMATION**

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

You have been identified as (A) someone (i) who may have purchased shares of one or more of the Funds during the period December 6, 2004 through December 6, 2007, or (ii) who may have held and redeemed shares of one or more of the Funds during the period July 3, 2006 through May 29, 2009 and, therefore, you are a Settlement Class Member; or (B) someone who may have held shares of one or more of the Funds on May 29, 2009 and, therefore, you are a Funds Shareholder. You may be both a Settlement Class Member and a Funds Shareholder.

The Court directed that this Notice be sent to you as a Settlement Class Member or a Funds Shareholder to inform you about the proposed settlement of the Lawsuits, and about the options available to you, before the Court decides whether to approve the Settlement. The Court will review the Settlement at a Settlement Hearing on **May 27, 2016**, at the United States District Court for the Western District of Tennessee, Western Division, in the Clifford Davis/Odell Horton Federal Building, 167 North Main Street, 11th Floor Courtroom #2, Memphis, Tennessee 38103, at **9:00 a.m.** If the Court approves the Settlement, and after all objections and appeals are resolved, a Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This Notice explains the Lawsuits, the Settlement, Settlement Class Members' and Funds Shareholders' legal rights, the benefits that are available, who is eligible for them, and how to get them. The Court in charge of the case is the United States District Court for the Western District of Tennessee, Western Division (Judge Samuel H. Mays, Jr.). The lawsuits are known as *In re Regions Morgan Keegan Open-End Mutual Fund Litigation*, No. 2:07-cv-02784-SHM-dkv (W.D. Tenn.) (the "Class Action Lawsuit"), and

*Landers, et al. v. Morgan Asset Management, Inc., et al.*, No. 2:08-cv-02260-SHM-dkv (the “Derivative Action Lawsuit”) (together, the “Lawsuits”). The people who sued are called plaintiffs, and the companies and the persons they sued are called defendants. In the Class Action Lawsuit, the Lead Plaintiffs asserted claims on behalf of a class of shareholders in the Funds who purchased or held and redeemed shares during the Class Period. In the case of the Derivative Action Lawsuit, the Derivative Plaintiffs sued on behalf of the Funds for the Funds’ benefit.

Lead Plaintiffs in the Class Action Lawsuit, representing the Class, are the Estate of Kathryn S. Cashdollar, Dajalis Ltd., Jeanette H. and H. Austin Landers, and Frank D. Tutor (“Lead Plaintiffs”). Derivative Plaintiffs in the Derivative Action Lawsuit are H. Austin and Jeanette H. Landers, James H. Frazier, James P. and Peggy C. Whitaker, and the Estates of Charles M. and Diana W. Crump (“Derivative Plaintiffs”).

Defendants in the Class Action Lawsuit are Morgan Keegan & Company, Inc., Morgan Asset Management, Inc., MK Holding, Inc., Regions Financial Corporation, and Regions Bank (“RMK Defendants”); Morgan Keegan Select Fund, Inc. and its portfolios or “series”: STF (n/k/a Helios Select Short-Term Fund), IBF (n/k/a Helios Select Intermediate Bond Fund), and HIF (n/k/a Helios Select High Income Fund) (“Funds”); Allen B. Morgan, Jr., J. Kenneth Alderman, Jack R. Blair, Albert C. Johnson, William Jeffries Mann, James Stillman R. McFadden, W. Randall Pittman, Mary S. Stone, Archie W. Willis, III, Carter E. Anthony, Brian B. Sullivan, Joseph C. Weller, J. Thompson Weller, G. Douglas Edwards, Charles D. Maxwell, David M. George, Michele F. Wood, James C. Kelsoe, Jr., David H. Tannehill, and Thomas R. Gamble (each an “Individual Defendant” and together “Individual Defendants”); and PricewaterhouseCoopers LLP (“PwC”) (collectively, the “Class Action Defendants”). All of the Defendants in the Class Action Lawsuit are also defendants in the Derivative Action Lawsuit except Messrs. Mann, Anthony, Edwards, George, and Gamble (collectively, the “Derivative Action Defendants”); the Funds are nominal defendants in the Derivative Action Lawsuit because it is brought for their benefit. Together, the Class Action Defendants and the Derivative Action Defendants are sometimes referred to as “Defendants.”

## **2. What are these lawsuits about and what has happened so far?**

The Class Action Lawsuit was commenced on December 6, 2007 on behalf of a class of shareholders of IBF and HIF and was subsequently amended to include the shareholders of STF. The Lead Plaintiffs filed the Consolidated Amended Class Action Complaint (“CAC”) on November 30, 2009. The CAC alleged seven causes of action based on federal law (§§ 11, 12(a)(2) and 15 of the Securities Act of 1933; §§ 10(b) and 20 of the Securities Exchange Act of 1934; and various sections of the Investment Company Act of 1940) on behalf of the investors in the Funds. On September 30, 2010, the Court entered an order granting in part and denying in part Defendants’ motions to dismiss the CAC. The claims that survived the motion to dismiss alleged violations of §§ 11, 12(a)(2) and 15 of the Securities Act of 1933. The claims dismissed included one that alleged violations of § 10(b) of the Securities Exchange Act of 1934, which, along with the § 11 claim, was asserted against the Funds (“§ 10(b) claim”). Plaintiffs seek compensatory or rescissory damages for their losses, prejudgment interest, costs, and reasonable attorneys’ fees. In June 2012, Lead Plaintiffs moved for leave to file a proposed Second Consolidated Amended Class Action Complaint (“SCAC”), which motion was stayed pursuant to agreement with Defendants. The SCAC alleged additional wrongdoing by Defendants in support of the § 10(b) claim.

The Derivative Action Lawsuit was commenced on March 28, 2008 on behalf of the Funds. Derivative Plaintiffs are represented by the same attorneys who represent plaintiffs in the Class Action Lawsuit. Plaintiffs filed their First Amended Derivative Complaint on October 13, 2009. Defendants moved to dismiss that complaint on December 15, 2009. On September 24, 2010, the Court denied all motions to dismiss, determined that Plaintiffs had made a demand on the Funds, ordered the Funds’ directors to complete their investigation of Derivative Plaintiffs’ claims on behalf of the Funds against the Derivative Action Defendants, and stayed the case pending the Funds’ response to Plaintiffs’ demand.

On November 30, 2010, the Funds and Derivative and Lead Plaintiffs reached an agreement to settle the Class Action Lawsuit claims against the Funds and to pursue the Derivative Plaintiffs’ claims asserted in the Derivative Action Lawsuit (“Partial Settlement”). Plaintiffs and the Funds jointly moved for Court approval of the Partial Settlement. The Court has not ruled on the Partial Settlement. In connection with the proposed Partial Settlement, the Funds produced over 510,000 pages of documents, which included audit workpapers and related documents for the Funds’ 2006 and 2007 audits. The Settlement described herein supersedes the proposed Partial Settlement, rendering it moot, and the proposed Partial Settlement has been withdrawn.

In August 2013, Lead and Derivative Plaintiffs and Defendants (including the Funds) agreed to explore a settlement of the Lawsuits. The Parties retained former U.S. District Court Judge Layn Phillips, a respected and experienced mediator in complex litigation, to assist them in exploring a potential negotiated resolution of the claims asserted in the Lawsuits. The mediation sessions were preceded by Defendants’ production of over over 6.7 million pages of documents, and an exchange of comprehensive mediation statements and supporting evidence and expert reports. On December 17 and 18, 2013, the Parties met with Judge Phillips for two days of intensive negotiations, but no agreement was reached. On February 19, 2014, the Parties again met and reached an agreement-in-principle to settle both Lawsuits. Lead and Derivative Plaintiffs and the Funds then negotiated the allocation of the Settlement Amount between the Class Action Lawsuit and the Derivative Action Lawsuit without any involvement by Defendants, other than the Funds. These and additional negotiations resulted in all Parties subscribing to the Class and Derivative Settlement Agreements.

Plaintiffs, through Lead Counsel and other Plaintiffs’ counsel, conducted a thorough investigation relating to the claims, defenses, and underlying events and transactions that are the subject of the Lawsuits. This process included reviewing and analyzing: (i) almost seven million pages of nonpublic emails, valuation-related materials and other pertinent documents produced by the RMK Defendants and the Funds; (ii) 236,000 pages of audit workpapers and related documents produced by PwC; (iii) publicly available orders, reports and other information concerning the administrative enforcement proceedings brought by the SEC, multiple State securities regulators, and the Financial Industry Regulatory Authority (“FINRA”) against certain Defendants related to some of the conduct at issue in the Lawsuits, including documents used in certain of those proceedings; (iv) documents filed publicly by the Funds and certain Defendants with the SEC; (v) other publicly available information and data concerning the Funds and the claims asserted in both Lawsuits; (vi) research reports issued by financial analysts concerning the Funds and securities held in the Funds’ portfolios; (vii)

prospectuses and other offering documents related to the mortgage- and asset-backed securities in which the Funds invested; and (viii) the applicable law governing the claims and potential defenses. Plaintiffs' counsel also reviewed the deposition transcripts of certain employees of Defendants taken in the regulatory enforcement actions. Plaintiffs' counsel consulted with experts on damages, accounting and auditing, and investment company issues.

The Lawsuits seek money damages against Defendants for, as to the Class, violations of the federal securities laws and, as to the Funds, state statutory and common law. Defendants deny all allegations of misconduct contained in the Lawsuits, and deny having engaged in any wrongdoing whatsoever. The Settlement should not be construed as, or seen as evidence of, an admission or concession on the part of any Defendant with respect to any claim or of any fault or liability or wrongdoing or damage whatsoever, or any infirmity or weakness in the defenses that Defendants have asserted.

### **3. Why is this a class action? How does the derivative action relate to the class action?**

In a class action, one or more people called class representatives sue on behalf of people who have similar claims, who are known as class members. Bringing a case as a class action allows the adjudication of many similar claims of persons and entities where those claims might not be economically feasible to pursue individually because the amount at issue in a single claim would be too small. One court resolves the issues for all class members, except for those who exclude themselves from the class. Here, the Court has preliminarily certified the Settlement Class for purposes of the Class Settlement only. The Court will decide whether to grant final approval to certification of the Settlement Class at the Settlement Hearing. In the Class Action Lawsuit, Lead Plaintiffs seek remedies under the federal securities laws for investors in the Funds.

A derivative action is different from a class action because it is brought by a shareholder on behalf of a corporation or other entity. In the Derivative Action Lawsuit, Derivative Plaintiffs sought remedies under state statutory and common law for the Funds' benefit for the purpose of enabling the Funds to satisfy any judgment that might have been obtained against them in the Class Action Lawsuit; that purpose has been rendered moot by the Settlement. The Funds Settlement Amount paid to the Funds as part of the Derivative Settlement will be distributed to the Funds Shareholders, net of fees and expenses.

### **4. Why is there a settlement?**

This litigation has been pending for over eight years and is being settled now to avoid the risks and further delays of a trial and appeals. By settling now, Defendants avoid the risks and cost of further litigation and a potential trial. Lead Plaintiffs believe the Class Settlement is in the best interest of the Settlement Class, and Derivative Plaintiffs and the Funds' board of directors believe the Derivative Settlement is in the best interest of the Funds.

## **B. WHO CAN PARTICIPATE IN THE SETTLEMENT**

### **5. How do I know if I am part of the Settlement?**

The Court directed, for the purpose of the Class Settlement, that everyone who fits the following description is a Settlement Class Member, unless they are an Excluded Person or they take steps to exclude themselves (see below): All Persons who (i) purchased shares of one or more of the Funds during the period December 6, 2004 through December 6, 2007, inclusive, or (ii) held and/or redeemed shares of one or more of the Funds during the period July 3, 2006 through May 29, 2009. In order to share in the Class Settlement, you must be a Settlement Class Member who (1) held and/or redeemed shares in one or more of the Funds during the Holders/Sellers Loss Period (July 3, 2006 through May 29, 2009) and (2) incurred a Compensable Loss upon redeeming said shares, regardless of when such shares were purchased. Additionally, Funds Shareholders (those holding shares of one or more of the Funds on May 29, 2009) will share in the Funds' Distribution without regard to whether they participate in the Class Settlement, unless they are excluded as a Funds Shareholder as described below.

### **6. Are there exceptions to being included in the Class or to sharing in the Funds' Distribution?**

Yes. Certain persons who were or may have been shareholders in the Funds are excluded from the proposed Settlement Class ("Excluded Persons"). These Excluded Persons are defined in the Class Action and Derivative Settlement Agreements, and include:

- (a) the Individual Defendants and the members of the immediate families of the Individual Defendants; Defendants other than the Individual Defendants and the subsidiaries and affiliates of Defendants (which include but are not limited to the RMK Defendants and Morgan Properties LLC); and any person who is a director or officer subject to § 16 of the Securities Exchange Act of 1934, partner or controlling person of the Funds or any other Defendant or any entity in which any Defendant has a controlling interest;
- (b) any Person who has at any time filed a proceeding with FINRA against one or more Released Defendant Parties concerning losses alleged to be attributable to the purchase or holding of shares in one or more of the Funds during the Class Period, and such proceeding was not subsequently withdrawn or dismissed pursuant to a specific agreement to allow the Person to participate as a Settlement Class Member;
- (c) any Person who has at any time filed a state court action that has not been removed to federal court, or has been removed and remanded, against one or more of the Defendants concerning losses alleged to be attributable to the purchase or holding of shares in one or more of the Funds during the Class Period, and whose claims in that action have

been dismissed with prejudice, released, or fully adjudicated absent a specific agreement with such Defendant(s) to allow the person to participate as a Settlement Class Member;

- (d) any Person who has at any time filed a federal court action or a state court action that has been removed to federal court against one or more of the Defendants concerning losses alleged to be attributable to the purchase or holding of shares in one or more of the Funds and whose claims in that action have been dismissed with prejudice, released, or fully adjudicated absent a specific agreement with such Defendant(s) to allow the person to participate as a Settlement Class Member;
- (e) any Person who has at any time individually settled with one or more of the Defendants claims concerning losses alleged to be attributable to the purchase or holding of shares in one or more of the Open-End Funds during the Class Period, and whose claims in that settlement have been dismissed with prejudice, released, or fully adjudicated absent a specific agreement with such Defendant(s) to allow the Person to participate as a Class Member;
- (f) those Settlement Class Members whose accounts are included in the "TAL Fiduciary Accounts"<sup>2</sup>;
- (g) any Person who submits a valid and timely request for exclusion from the Settlement Class in accordance with the requirements set forth in this Notice and explained in Question 14, below; and
- (h) the legal representatives, heirs, successors and assigns of any such Excluded Persons.

As shown on the attached Proof of Claim, you are presumptively eligible to be a Settlement Class Member (unless you are an Excluded Person) because you are a Person (including a trust or custodial account) who either (1) purchased shares in one or more of the Funds during the period December 6, 2004 through December 6, 2007 or (2) held shares in one or more of the Funds and incurred a Compensable Loss during the Holders/Sellers Loss Period. If the attached Proof of Claim does not show that you held such shares and incurred a Compensable Loss during the Holders/Sellers Loss Period, check your investment records or contact your broker to see if you did hold such shares. Merely holding and selling shares of one or more of these Funds during the Holders/Sellers Loss Period at a Compensable Loss makes you a Settlement Class Member, regardless of when you purchased or acquired them. **If you filed a claim in either the States' Fund or the SEC Fair Fund and it was accepted, and you are not an Excluded Person, you are most likely a Settlement Class Member and should file a claim.** Merely because the Proof of Claim attached hereto may show Recognized Loss Amounts and a Recognized Claim does not mean you are eligible to share in the Class Settlement Fund; **if you are an Excluded Person you are not eligible to do so, and you should not file a claim, unless you file an objection to your exclusion and you are able to establish your right to participate in the Class Settlement.**

Those who come within the definition of Excluded Person in Question 6(a) and those who come within the definition of Excluded Person in Question 6(h) whose capacity is derived from the Persons identified in Questions 6(a) above for purposes of the Settlement Class will also be excluded from participating in the Derivative Settlement as a Funds Shareholder and sharing in the Funds Distribution. Excluded Persons who come within definitions 6(b), 6(c), 6(d), and 6(e) for purposes of the Settlement Class may also be excluded as a Funds Shareholder for purposes of sharing in the Funds' Distribution, depending upon the terms of any release granted by said persons in connection with any settlement or other resolution of any claims brought by them against one or more Defendants. A Funds Shareholder who is an Excluded Person for purposes of the Class Settlement pursuant to definitions 6(b) through 6(g) will nevertheless receive their share of the Funds' Distribution unless that Person has agreed not to participate in the Derivative Action Lawsuit or released claims asserted in the Derivative Action Lawsuit or the ability to receive additional monies from the Funds. A Funds Shareholder who is an Excluded Person for purposes of the Class Settlement pursuant to definition 6(h) whose capacity is derived from the Persons identified in 6(b) through 6(g) ("6(b)-(g) Person") will nevertheless receive their share of the Funds' Distribution unless that 6(b)-(g) Person has agreed not to participate in the Derivative Action Lawsuit or released claims asserted in the Derivative Action Lawsuit or the ability to receive additional monies from the Funds.

## **7. What if I am still not sure if I am included?**

If you are still not sure whether you are included in the Settlement Class and if the Proof of Claim described in Question 10 does not show that you have a Recognized Claim, you can ask for free help. You can call 1-855-382-6448, or visit [www.rmkenopenendfundsettlement.com](http://www.rmkenopenendfundsettlement.com) or [www.morgankeeganlawsuit.com](http://www.morgankeeganlawsuit.com) for more information. If the Proof of Claim does not show that you have a Recognized Claim and you are not an Excluded Person, you can complete, sign and return the Proof of Claim to see if you qualify.

## **C. THE SETTLEMENT BENEFITS—WHAT YOU GET**

### **8. What does the Settlement provide?**

In exchange for the Settlement and the release of the Released Claims (defined below) against the Released Defendant Parties (defined below), Defendants have agreed to pay a total of \$125 million, to be placed in a settlement fund, which will earn interest, and will be divided between the Settlement Class (\$110 million, the Class Settlement Amount) and the Funds (\$15 million, the Funds Settlement Amount). After deduction of attorneys' fees and expenses (to be awarded by the Court), settlement administration

<sup>2</sup> The "TAL Fiduciary Accounts" means the trusts, custodial accounts, and other fiduciary accounts, such as decedents' estates, guardianships, and conservatorships, as well as ERISA-non-fiduciary accounts: (a) which were identified by Regions Bank to the TAL as open at Regions Bank on June 30, 2008, and as satisfying the criteria in the TAL Orders for inclusion within the scope of the TAL's appointment; and (b) which (i) purchased, held, and/or redeemed shares of STF, IBF, or HIF during the period December 4, 2004 through May 29, 2009 and were damaged thereby; (ii) did not elect out of the TAL's appointment pursuant to the TAL Orders; and (iii) are not removed or excluded from the TAL's appointment by an order of the Probate Court that issued the TAL Orders.

costs, any applicable taxes, and any other fees or expenses approved by the Court, as allocated between the Net Class Settlement Fund and the Net Funds Settlement Fund pursuant to agreement between Lead and Derivative Plaintiffs and the Funds, the \$110 million less such expenses will be distributed among all Settlement Class Members who submit valid and timely Proofs of Claim, and the \$15 million less such fees and expenses will be paid to the Funds Shareholders (Funds' Distribution). To the extent that Funds Shareholders are also Settlement Class Members, their Class Distribution from the Class Settlement Fund will be reduced by their share of the Funds Distribution.

**9. How much will my payment be?**

Your share of the Class Settlement Amount will depend on several things, including: (a) the total amount of Recognized Claims of all Settlement Class Members who are determined to be Authorized Claimants; (b) which Fund's shares you held during the Holders/Sellers Loss Period; (c) how many shares you held; (d) the amount of dividends that you received but did not reinvest in shares of the Funds, if any; and (e) when you redeemed your shares and for how much. The Funds' shares that had not been redeemed before May 29, 2009 were redeemed based on the respective NAVs of the Funds on the date of redemption in connection with the Funds' initial liquidating distribution.

Your Recognized Claim will be calculated according to the formula shown below in the Plan of Allocation. It is highly unlikely that you will get a payment for your entire Recognized Claim, given the number of potential Authorized Claimants, the fact that the Settlement Amount is less than the aggregate Recognized Claims of all potential Authorized Claimants, and that expenses and attorneys' fees will be paid out of the Settlement Amount. After all Settlement Class Members have sent in their Proofs of Claim, the payment you receive will be a *pro rata* share of the Net Class Settlement Fund based on your Recognized Claim divided by the total of all Settlement Class Members' Recognized Claims that are accepted. See the Plan of Allocation in Question 26 for more information on your Recognized Claim.

**D. HOW YOU GET A PAYMENT—SUBMITTING A CLAIM**

**10. How can I get a payment from the Class Settlement Fund?**

To qualify for a payment from the Class Settlement Fund, you must complete, sign, and send in a Proof of Claim. A Proof of Claim is enclosed with this Notice. For most recipients of this Notice, this Proof of Claim shows your Recognized Loss Amounts and your Recognized Claim. You may also get a blank Proof of Claim on the Internet at the websites for the Claims Administrator or Lead Counsel: [www.rm kopenendfundsettlement.com](http://www.rm kopenendfundsettlement.com) or [www.morgankeeganlawsuit.com](http://www.morgankeeganlawsuit.com). The Proof of Claim available at this website will not show your Recognized Loss Amounts or your Recognized Claim. The Claims Administrator can also help you if you have questions about the form. Please read the instructions carefully, fill out the Proof of Claim, include all the documents to the extent that the form requires them, sign it, and mail it **postmarked no later than August 7, 2016**.

**If you agree with the amount of the Recognized Claim as shown on your enclosed Proof of Claim, you need not include any documents but you must sign and return the Proof of Claim by the deadline of August 7, 2016. If you do NOT agree with the amount of the Recognized Claim as shown on your Proof of Claim, or if the Proof of Claim does not show a Recognized Loss Amount or a Recognized Claim, you must provide the required information and documentation to receive a payment from the Class Settlement Fund. See Question 26. If you are a Funds Shareholder, you need not sign and return the Proof of Claim to obtain your share of the Funds' Distribution; however, to share in the Class Settlement Fund, you must sign and return the Proof of Claim. IF YOU ARE AN EXCLUDED PERSON, REGARDLESS OF YOUR RECEIPT HEREOF AND REGARDLESS OF WHETHER OR NOT THE PROOF OF CLAIM ACCOMPANYING THIS NOTICE SHOWS A RECOGNIZED CLAIM, YOU ARE NOT ENTITLED TO SHARE IN THE CLASS SETTLEMENT FUND, AND YOU SHOULD NOT SUBMIT A CLAIM, UNLESS YOU ESTABLISH YOUR RIGHT TO DO SO.**

**11. How can I get a payment from the Net Funds Settlement Fund?**

You do not need to take any action to receive a payment from the Net Funds Settlement Fund (Funds' Distribution)—i.e., **if you are a Funds Shareholder, you need not sign and return the Proof of Claim to obtain your share of the Funds' Distribution, provided you are not an Excluded Person; however, to share in the Class Settlement Fund, you must sign and return a Proof of Claim.**

**12. When will I get my payment?**

The Court will hold a Settlement Hearing on **May 27, 2016**, to decide whether to approve the Settlement. Even if the Court approves the Settlement, there may still be appeals, which can take significant time to resolve. It also takes time for all the Proofs of Claim to be processed. **All Proofs of Claim must be submitted by August 7, 2016.**

Once all Proofs of Claim are processed and claims are calculated, Lead Counsel and Derivative Plaintiffs' counsel, joined by Funds' separate counsel with respect to the Funds Settlement Fund, without further notice to the Class or to the Funds Shareholders, will apply to the Court for an order distributing the Settlement Amount to the Class Settlement Fund and to the Funds Settlement Fund, distributing the Net Class Settlement Fund to Authorized Claimants, allocating the Net Funds Settlement Fund among the three Funds, and distributing the allocated Net Funds Settlement Fund to the Funds Shareholders. Plaintiffs' counsel, joined by Funds' separate counsel with respect to the Funds Settlement Fund, will also ask the Court to approve payment of the Claims Administrator's fees and expenses incurred in connection with giving notice and administering the Settlement. Please be patient.

**13. What am I giving up by staying in the Class to get a payment from the Class Settlement?**<sup>3</sup>

Unless you exclude yourself or you are an Excluded Person, you will remain a member of the Settlement Class, which means that upon the “Effective Date” you will release all “Released Claims” (as defined below) against the “Released Defendant Parties” (as defined below).

“Released Claims” means any and all claims, rights, causes of action, demands, actions, debts, sums of money, obligations, judgments, suits, and liabilities of every nature and description, including both known and Unknown Claims (as defined below), whether fixed or contingent, liquidated or un-liquidated, at law or in equity, known or unknown, suspected or unsuspected, disclosed or undisclosed, concealed or hidden, asserted or unasserted, whether class or individual in nature, (i) that Plaintiffs or any other Settlement Class Member asserted in the Class Action; or (ii) that arise out of, relate to, or are in connection with the claims, allegations, transactions, facts, events, acts, disclosures, statements, representations or omissions or failures to act involved, set forth, or referred to in the Class Action Lawsuit, but only as they relate to investments in the Open-End Funds during the Class Period regardless of when those investments were made; provided, however, that Released Claims do not include (i) claims to enforce the Settlement; (ii) any governmental or regulatory agency’s claims in any criminal, or civil, or administrative action against any of the Released Defendant Parties, or any claims or rights to compensation from the SEC Fair Fund, the States’ Fund, or other victim compensation funds resulting from any such governmental or regulatory agency action; and (iii) claims or causes of action of the types asserted in *In re Regions Morgan Keegan ERISA Litigation*, No. 2:08-cv-02192-SHM-dkv (W.D. Tenn.).

“Unknown Claims” means any and all Released Claims, which Plaintiffs or any other Settlement Class Member do not know or suspect to exist in his, her or its favor against one or more of the Defendants at the time of the release of the Released Defendant Parties, and any Released Defendants’ Claims that Defendants do not know or suspect to exist in his, her or its favor against one or more of the Plaintiffs or Settlement Class Members at the time of the release of the Released Plaintiff Parties, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. Unknown Claims include those claims in which some or all of the facts comprising the claim may be unsuspected, or even undisclosed, concealed, or hidden. With respect to any and all Released Claims and Released Defendants’ Claims, the Parties stipulate and agree that, upon the Effective Date, Plaintiffs and Defendants shall expressly, and each Settlement Class Member shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Plaintiffs, the other Settlement Class Members, or Defendants (including the Funds) may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants’ Claims, but Plaintiffs and Defendants (including the Funds) shall expressly, fully, finally and forever settle and release, and all other Class Members shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Defendants’ Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing, heretofore have existed, or coming into existence in the future, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law, rule or regulation, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiffs and Defendants (including the Funds) acknowledge, and other Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims and Released Defendants’ Claims was separately bargained for and was a key element of the Class Settlement.

“Released Defendant Parties” means Defendants, their past or present subsidiaries, parents, successors and predecessors, officers, directors, shareholders, partners, agents, employees, attorneys, auditors, assigns, affiliates, and insurers; the spouses, members of the immediate families, representatives, and heirs of the Individual Defendants, as well as any trust of which any Individual Defendant is the settlor or which is for the benefit of any of their immediate family members; and any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants and the legal representatives, heirs, successors in interest or assigns of Defendants.

“Released Plaintiff Parties” with respect to the Class Settlement means each and every Settlement Class Member, Lead Plaintiffs, Plaintiffs’ Counsel, and their respective past, current, or future trustees, officers, directors, partners, employees, contractors, auditors, principals, agents, attorneys, predecessors, successors, assigns, parents, subsidiaries, divisions, joint ventures, general or limited partners or partnerships, affiliates, and limited liability companies; the spouses, members of the immediate families, legal representatives, Lead Plaintiffs, and Plaintiffs’ Counsel, who are individuals, as well as any trust of which any Class Member, Lead Plaintiff, or Plaintiffs’ Counsel is the settlor or which is for the benefit of any of their immediate family members. Released Plaintiff Parties does not include any Class Member or Person who timely and validly seeks exclusion from the Class.

The “Effective Date” of the Settlement will occur when an Order by the Court approving the Class Settlement becomes Final and is not subject to appeal as set out more fully in the Class Settlement Agreement on file with the Court and available at [www.rm kopenendfundsettlement.com](http://www.rm kopenendfundsettlement.com) or [www.morgankeeganlawsuit.com](http://www.morgankeeganlawsuit.com). If you remain a member of the Settlement Class, all of the Court’s orders in the Class Action Lawsuit will apply to you and legally bind you.

<sup>3</sup> Terms similar to those defined in this answer to this Question 13 are also defined in the Derivative Settlement Agreement with respect to the Derivative Settlement. For these definitions, please refer to the Derivative Settlement Agreement on file with the Court and available at [www.rm kopenendfundsettlement.com](http://www.rm kopenendfundsettlement.com) or [www.morgankeeganlawsuit.com](http://www.morgankeeganlawsuit.com).

If you are an Excluded Person, you are not bound by the release provisions of the Class Settlement Agreement described in this Question 13 (but nothing in the Settlement affects the extent to which you are bound by such other release provisions as may form the basis for your being an Excluded Person). If you are a Funds Shareholder who is also a Settlement Class Member who has not elected to exclude yourself from the Settlement Class (and you are not an Excluded Person), you will be bound by the release provisions of the Class Settlement Agreement described in this Question 13.

#### **E. EXCLUDING YOURSELF FROM THE CLASS SETTLEMENT**

If you do not want a payment from the Net Class Settlement Fund, but you want to keep any right you may have to sue or continue to sue Defendants and the other Released Defendant Parties, on your own, regarding the Released Claims, then you must take steps to remove yourself from the Settlement Class. This is called “excluding yourself from”—or “opting out of”—the Settlement Class. Defendants may withdraw from and terminate the Settlement if Settlement Class Members who have in excess of a certain amount of Recognized Claims exclude themselves from the Settlement Class. If you are a Funds Shareholder, you are not given the choice to voluntarily exclude yourself from the Derivative Settlement, but you may exclude yourself from the Settlement Class if you are not already excluded as an Excluded Person.

#### **14. How do I opt out of the proposed Settlement Class?**

To exclude yourself from the Settlement Class, you must send a signed letter by mail stating that you “request exclusion from the Settlement Class in *In re Regions Morgan Keegan Open-End Mutual Fund Litigation*, No. 2:07-cv-02784-SHM-dkv.” Your letter must state the date(s) of (1) each purchase or acquisition of Fund shares during the period from December 6, 2004 through December 6, 2007, inclusive, and the number of shares purchased or acquired in each transaction, and (2) the date(s) of each sale or redemption of Fund shares held during the period July 3, 2006 through May 29, 2009, inclusive. In addition, you must include your name, address, telephone number, and your signature. You must mail your exclusion request so that it is **received no later than May 6, 2016**, to:

*In re Regions Morgan Keegan Open-End Mutual Fund Litigation*  
c/o GCG  
PO Box 10146  
Dublin, Ohio 43017-3146

You cannot exclude yourself by telephone or by email. If you write to request to be excluded, you will not get any settlement payment from the Class Settlement Fund, you cannot object to the Class Settlement, you will not be legally bound by anything that happens in the Class Action Lawsuit, and nothing in this Settlement will prevent you from suing (or continuing to sue) Defendants and the other Released Defendant Parties if you are otherwise able to do so.

NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN ANY SUCH REQUEST. ANY SUCH REQUEST FOR EXCLUSION DOES NOT APPLY TO THE DERIVATIVE ACTION LAWSUIT OR TO THE DERIVATIVE SETTLEMENT.

#### **15. If I do not exclude myself, can I sue, or continue to sue, Defendants and the other Released Defendant Parties for the same thing?**

No. If you are a Settlement Class Member, unless you exclude yourself, you give up any rights to sue, or to continue to sue, Defendants and the other Released Defendant Parties for any and all Released Claims. Remember, **the exclusion deadline is May 6, 2016**.

#### **16. If I exclude myself, can I get money from the Class Settlement?**

If you exclude yourself from the Class Settlement, you will not get money from the proposed Class Settlement Fund. Some of you who receive this notice are also Funds Shareholders, as well as members of the proposed Settlement Class. The exclusion rights herein are relevant to you only as a Settlement Class Member. As a Funds Shareholder, unless you are an Excluded Person, you will share in the Funds’ Distribution, even if you do exclude yourself from the Settlement Class if the Settlement is approved.

#### **F. THE LAWYERS REPRESENTING YOU**

#### **17. Do I have a lawyer in this case?**

The Court appointed the law firms of Lockridge Grindal Nauen P.L.L.P., of Minneapolis, Minnesota, as Lead Counsel and Apperson Crump, PLC, of Memphis, Tennessee, as Liaison Counsel to represent all Settlement Class Members. Additional counsel to the class are Zimmerman Reed, P.L.L.P., of Minneapolis, Minnesota. These three law firms also represent the Derivative Plaintiffs in the Derivative Action Lawsuit brought on behalf and for the benefit of the Funds. You will not be separately charged for these lawyers. The Court will determine the amount of counsel’s fees and expenses, which will be paid from the Settlement Amount. If you want to be represented by your own lawyer, you may hire one at your own expense.

#### **18. How will the lawyers be paid?**

None of the counsel representing the Lead Plaintiffs in the Class Action Lawsuit or the Derivative Plaintiffs in the Derivative Action Lawsuit have received any payment for their services in pursuing the claims against Defendants on behalf of the Settlement Class and the Funds, nor have they been paid for the expenses they have incurred in connection with this litigation. At the Settlement Hearing, or at such other time as the Court may order, Lead and Derivative Plaintiffs’ Counsel will ask the Court to award, from the Settlement Amount, attorneys’ fees of no more than 30% of the Settlement Amount, plus any interest on such amount at the same rate and for the same periods as earned by the Settlement Amount, plus litigation expenses (such as the cost of experts and document

management and analysis) that have been incurred in pursuing the Lawsuits. The request for litigation expenses will not exceed \$1.3 million. Lead Counsel's request for attorney's fees and litigation expenses will be made on behalf of Lead and Derivative Plaintiffs' counsel and the other counsel to the class and Derivative Plaintiffs identified above.

## G. OBJECTING TO THE SETTLEMENT

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

If you are a Settlement Class Member and have not elected to exclude yourself from the Settlement Class, you can object to the proposed Class Settlement or any of its terms (including, if you are an Excluded Person, your exclusion from the Settlement Class), the certification of the Settlement Class, the proposed Plan of Allocation, and/or the application by Lead Counsel for an award of fees and expenses. To object as a Settlement Class Member to the proposed settlement of the Class Action Lawsuit, you must send a signed letter stating that you "object to the Class Settlement in *In re Regions Morgan Keegan Open-End Mutual Fund Litigation*, No. 2:07-cv-02784-SHM-dkv." Your letter must state the date(s) of each purchase or acquisition of Fund shares during the period from December 6, 2004 through May 29, 2009, inclusive, the number of shares purchased or acquired in each transaction, the date(s) of each sale or redemption of said shares, and state the reasons why you object to the Class Settlement.

If you are a Funds Shareholder, you can object to the Derivative Settlement or any of its terms and/or the application by Derivative Plaintiffs' counsel for an award of fees and expenses. You may give reasons why you think the Court should not approve any part or all of the Derivative Settlement's terms or arrangements. You cannot object to the Derivative Settlement if you are not a Funds Shareholder. To object as a Funds Shareholder to the proposed Derivative Settlement, you must send a signed letter stating that you "object to the Settlement in *Landers v. Morgan Asset Management, Inc.*, No. 2:08-cv-02260-SHM-dkv." Your letter must state the number of shares you held on May 29, 2009, and state the reasons why you object to the Derivative Settlement.

If you are objecting to either the Class or Derivative Settlement, you must include your name, address, telephone number, your signature, and the information required in the preceding two paragraphs relevant to the settlement to which you are objecting. Your objections, and all supporting documents, must be filed with the Court and mailed or delivered to all of the following so that it is **received on or before May 6, 2016**:

#### **COURT:**

Clerk of the Court  
United States District Court for the  
Western District of Tennessee  
Clifford Davis/Odell Horton Federal Building  
167 N. Main Street, Room 242  
Memphis, Tennessee 38103

#### **COUNSEL FOR LEAD, DERIVATIVE PLAINTIFFS:**

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LOCKRIDGE GRINDAL NAUEN, P.L.L.P.  
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#### **COUNSEL FOR PRICEWATERHOUSECOOPERS LLP:**

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#### **COUNSEL FOR THE FUNDS:**

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#### **COUNSEL FOR REGIONS FINANCIAL CORPORATION, REGIONS BANK AND MORGAN ASSET MANAGEMENT, INC.:**

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#### **COUNSEL FOR JACK R. BLAIR, ALBERT C. JOHNSON, JAMES STILLMAN R. MCFADDEN, WILLIAM JEFFERIES MANN, W. RANDALL PITTMAN, MARY S. STONE, AND ARCHIE W. WILLIS, III:**

Jeffrey B. Maletta  
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Washington, District of Columbia 20006

#### **COUNSEL FOR CARTER E. ANTHONY:**

R. Hal Meeks, Jr.  
JAMES BATES BRANNAN & GROOVER LLP  
3399 Peachtree Rd. NE  
Suite 1700  
Atlanta, Georgia 30326

**20. What is the difference between objecting to the Class Settlement and seeking exclusion from or “opting out” of the Settlement Class?**

Objecting is telling the Court that you do not like something about either or both of the Class Settlement or the Derivative Settlement. As a Settlement Class Member, you can object to the Class Settlement only if you stay in the Settlement Class (or, as an Excluded Person, seek to be included in the Settlement Class). Excluding yourself from or “opting out” of the Settlement Class is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the Class Settlement no longer affects you. As a Funds Shareholder, you can object to, but you cannot exclude yourself from, the Derivative Settlement.

**H. THE COURT’S SETTLEMENT 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 do so.

**21. When and where will the Court decide whether to approve the Settlement?**

The Court will hold a Settlement Hearing at **9:00 a.m. on May 27, 2016**, at the United States District Court for the Western District of Tennessee, Western Division, in the Clifford Davis/Odell Horton Federal Building, 167 North Main Street, 11th Floor Courtroom #2, Memphis, Tennessee 38103.

At this hearing, the Honorable Samuel H. Mays, Jr. will consider whether the Class and Derivative Settlements are fair, reasonable, and adequate. The Court also will consider the proposed Plan of Allocation for the Net Class Settlement Fund, the proposed Funds’ Distribution of the Net Funds Settlement Fund, and the application of Lead Counsel and Derivative Plaintiffs’ counsel for attorneys’ fees and reimbursement of expenses. The Court will take into consideration any written objections filed in accordance with the instructions set out in Question 19 above. The Court also may listen to people who have properly indicated, within the deadline identified above, an intention to speak at the Settlement Hearing, but decisions regarding the conduct of the Settlement Hearing will be made by the Court. See Question 23 for more information about speaking at the Settlement Hearing. After the Settlement Hearing, the Court will decide whether to approve the Settlement, and, if the Settlement is approved, the amount of attorneys’ fees and expenses to be awarded. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent. If you want to attend the hearing, you should check [www.morgankeeganlawsuit.com](http://www.morgankeeganlawsuit.com) or contact Lead Counsel before coming to be sure that the date and/or time have not changed.

**22. Do I have to come to the Settlement Hearing?**

No. Counsel for Lead and Derivative Plaintiffs will answer any questions the Court may have, but you are welcome to come at your own expense. Settlement Class Members and Funds Shareholders do not need to appear at the Settlement Hearing or take any other action to indicate their approval, except Settlement Class Members must submit a claim in compliance with the procedures described in this Notice to obtain a payment. If you submit an objection, you do not have to come to Court to talk about it. If you properly filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

**23. May I speak at the Settlement Hearing?**

If you object to either the Class Settlement or the Derivative Settlement, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (see Question 19 above) a statement stating your intent to do so and entitled “Notice of Intention to Appear in *In re Regions Morgan Keegan Open-End Mutual Fund Litigation*, No. 2:07-cv-02784-SHM-dkv” or “Notice of Intention to Appear in *Landers v. Morgan Asset Management, Inc.*,” No. 2:08-cv-02260-SHM-dkv.” Persons who intend to object to either the Class Settlement or the Derivative Settlement, the Plan of Allocation for the Net Class Settlement Funds, the Funds’ Distribution, and/or Lead/Derivative Plaintiffs’ Counsel’s Fee and Expense Application and desire to present evidence at the Settlement Hearing must also include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing. You cannot speak at the Settlement Hearing with respect to the Class Settlement if you excluded yourself from the Settlement Class; you cannot speak at the Settlement Hearing with respect to either the Class Settlement or the Derivative Settlement if you have not provided written notice of your objection and intention to speak at the Settlement Hearing in accordance with the procedures described in Questions 19 and 23.

**I. IF YOU DO NOTHING**

**24. What happens if I do nothing at all?**

If you are a Settlement Class Member and you do nothing, you will get no money from the Net Class Settlement Fund, but you will be bound by the terms of the Class Settlement and the releases required thereby, which means you will be precluded from starting an action (whether it be a lawsuit, arbitration, or other form), continuing to pursue an action, or being part of any other action against Defendants and the other Released Defendant Parties about the Released Claims ever again.

To share in the Net Class Settlement Fund you **MUST** submit a Proof of Claim (see Question 10). To start, continue or be a part of any other lawsuit against Defendants and the other Released Defendant Parties about the Released Claims in this case, you **MUST** exclude yourself from the Settlement Class (see Question 14).

If you are a Funds Shareholder, and are not an Excluded Person excluded from sharing in the Funds Distribution, and you do nothing, you will receive your share of the Funds' Distribution, and no additional action is required on your part. However, Funds Shareholders who are also Settlement Class Members must comply with the requirements described herein to receive a Class Distribution from the Net Class Settlement Fund or to be excluded from the Settlement Class.

## J. GETTING MORE INFORMATION

### 25. Are there more details about the Settlement?

This Notice summarizes the Settlement. More details are in the Class and Derivative Settlement Agreements, dated January 19, 2015. You may review the Class and Derivative Settlement Agreements filed with the Court or any other documents filed in the case during business hours at the Office of the Clerk of the United States District Court for the Western District of Tennessee, Western Divisional Office, 167 N. Main Street, Room 242, Memphis, TN 38103.

You also can call the Claims Administrator toll free at 1-855-382-6448, or write to ***In re Regions Morgan Keegan Open-End Mutual Fund Litigation, c/o GCG, PO Box 10146, Dublin, Ohio, 43017-3146***, to request additional information. You can also visit the websites of the Claims Administrator or Lead Counsel at **[www.rmlopenendfundsettlement.com](http://www.rmlopenendfundsettlement.com)** or **[www.morgankeeganlawsuit.com](http://www.morgankeeganlawsuit.com)**, where you will find answers to common questions about the Settlement, download copies of the Settlement Agreements or Proof of Claim, and locate other information to help you determine whether you are a Settlement Class Member and whether you are eligible for a payment.

**Please Do Not Call the Court with Questions About the Settlement**

## K. PLAN OF ALLOCATION OF NET CLASS SETTLEMENT FUND AMONG AUTHORIZED CLAIMANTS

### 26. How will my claim be calculated?

Your claim will be calculated using the Plan of Allocation (the "Plan") approved by the Court. The purpose of the Plan is to distribute settlement proceeds equitably to those Settlement Class Members who suffered economic losses as a result of investing in the Funds. The Plan measures the amount of loss that a Settlement Class Member can claim for purposes of making *pro rata* allocations of the Net Class Settlement Fund to Authorized Claimants.

The Settlement Amount is to be allocated between the Class and the Derivative Settlements: \$110 million (88%) will be allocated to the Class ("Class Settlement Amount") and \$15 million (12%) to the Funds ("Funds Settlement Amount").

The Class Settlement Amount plus any interest it earns is called the "Class Settlement Fund". If the Court so approves, the Class Settlement Fund, less payment of fees and expenses approved by the Court ("Net Class Settlement Fund"), will be distributed according to the Plan described below to Settlement Class Members who timely submit valid Proofs of Claim that show a Recognized Claim and whose claims are allowed by the Court ("Authorized Claimants"). Settlement Class Members who do not timely submit valid Proofs of Claim will not share in the Settlement proceeds, but will otherwise be bound by the terms of the Settlement. The Court may approve the Plan or modify it without additional notice to the Class. Any order modifying the Plan will be posted on the websites of the Claims Administrator (**[www.rmlopenendfundsettlement.com](http://www.rmlopenendfundsettlement.com)**) and Lead Counsel (**[www.morgankeeganlawsuit.com](http://www.morgankeeganlawsuit.com)**).

The portion of the Settlement Amount allocated to the Funds Settlement Fund, less any expenses and attorneys' fees, will be allocated among each of the respective Funds on a *pro rata* basis based on each Fund's losses, and then distributed to each Fund Shareholder consistent with the Funds' Plan of Liquidation ("Funds' Distribution"). Most of the Funds Shareholders are Settlement Class Members, unless they are Excluded Persons or elect to exclude themselves from the Settlement Class. For those Funds Shareholders who are also Settlement Class Members, each Funds Shareholder's Funds' Distribution will be deducted from that person's *pro rata* share of the Net Class Settlement Fund but will not reduce that person's share thereof below zero. If a Funds Shareholder's Funds Distribution is less than \$10.00, it will not be distributed to the Shareholder, given the administrative expenses of processing and mailing such checks and will not be deducted from such Shareholder's share of the Net Class Settlement Fund if such Shareholder is also an Authorized Claimant.

Each Authorized Claimant's "Recognized Claim" shall be the total of his, her or its "Recognized Loss Amounts" as calculated herein by the Claims Administrator for all of the Funds in which each Authorized Claimant invested. Each Authorized Claimant shall be allocated his, her or its *pro rata* share of the Net Class Settlement Fund based on the ratio of his, her, or its Recognized Claim to the total Recognized Claims of all Authorized Claimants. Each Authorized Claimant shall be paid an amount ("Class Distribution") determined by multiplying the amount of the Net Class Settlement Fund by a fraction, the numerator of which shall be his, her or its Recognized Claim and the denominator of which shall be the total Recognized Claims of all Authorized Claimants; for an Authorized Claimant who is also a Funds Shareholder, his, her or its Class Distribution shall be reduced by such Claimant's Funds' Distribution. If an Authorized Claimant's Class Distribution (after deducting the Funds' Distribution paid to such Claimant who is a Funds Shareholder) is calculated to be less than \$10.00, it will not be included in the final *pro rata* calculation and it will not be distributed to the Authorized Claimant, given the administrative expenses of processing and mailing such checks. The Court will be asked to approve the Claims Administrator's determinations before the Net Class Settlement Fund is distributed to Authorized Claimants.

In developing the Plan, Lead Plaintiffs, in consultation with their damages and accounting experts, estimated the amount of economic loss that was caused by the alleged misconduct. Compensable losses were estimated under both the Securities Act of 1933 and the Securities Exchange Act of 1934. Compensable losses under the Securities Act of 1933 are those losses attributable to the shares of one or more of the Funds that were purchased during the period December 6, 2004 through December 6, 2007 (“Purchasers Class Period”). A significant portion of Settlement Class Members’ aggregate losses is attributable to shares purchased or acquired before December 6, 2004 and would not be compensable under the Securities Act of 1933. However, any such losses not compensable under the Securities Act of 1933 may be compensable under the Securities Exchange Act of 1934. In this instance, compensable losses under the Securities Exchange Act of 1934 are those losses attributable to the shares of one or more of the Funds held and redeemed at any time by an Authorized Claimant during the period July 3, 2006 through May 29, 2009 without regard to whether such shares were purchased before July 3, 2006 (“Holders/Sellers Loss Period”). The Plan of Allocation is based on losses attributable to shares held and redeemed at any time during the Holders/Sellers Loss Period; if shares were purchased after July 3, 2006, losses are calculated for the period the shares were held (“Holders/Sellers Plan”). This method of allocation is consistent with that used to allocate the State Regulators’ Fund and SEC Fair Fund.

The aggregate “Compensable Loss” under the Holders/Sellers Plan was estimated based on each Fund’s losses during the Holders/Sellers Loss Period attributable to the shares outstanding during that period, reduced by redemptions and dividends, which methodology for determining losses is like that used by the State Regulators’ Fund and SEC Fair Fund; unlike the State Regulators’ Fund and SEC Fair Fund, the Compensable Loss is then adjusted in accordance with the benchmark index used by RMK for comparing each Fund’s performances (“Index Adjustment”). The date used for determining when the Funds’ alleged undisclosed risks either existed or began to materialize is July 3, 2006; accordingly, the relevant period during which investors’ losses are calculated is July 3, 2006 through May 29, 2009 (Holders/Sellers Loss Period). The benchmark indices used for purposes of determining the Recognized Loss Amounts are the following: the Barclays (formerly Lehman Brothers) Ba U.S. High Yield Bond Index for HIF; the Barclays (formerly Lehman Brothers) Intermediate U.S. Aggregate Index for IBF; and the Barclays (formerly Lehman Brothers) 1 – 3 Year Government/Credit Index for STF. These were the benchmark indices that RMK used to compare the Funds’ performance and are generally referred to hereinafter as “Benchmark” or “Index.” Under the Plan’s method of allocation of the Net Class Settlement Fund, what Lead Plaintiffs’ counsel estimate to be all losses incurred by investors in the Funds are included in calculating each Claimant’s Recognized Loss Amount without regard to whether the investor purchased their shares before July 3, 2006. Such losses are estimated to include, and significantly exceed, all Purchasers Class Period losses. Accordingly, under the Plan, the recovery represented by the Settlement as a percentage of losses is lower than if compensable losses were limited to Purchasers Class Period losses, but the number of investors in the Funds who will be able to participate in the Settlement will be greater.

As explained above, some investors (Excluded Persons) who held shares in one or more of the Funds are not eligible to share in one or both of the Class or Funds Settlement Funds. Based on the calculations shown in the attached Proof of Claim, reducing the aggregate Compensable Loss by the losses attributable to these Excluded Persons results in a gross average recovery for investors in all three Funds of about 33% of the total Recognized Claims of those eligible to participate in the Settlement Amount before deducting expenses allowed by the Court (or, based on the Alternative Percentage Recovery, 46%) and assuming that all Settlement Class Members entitled to participate do so and assuming further that 89% of the Funds’ Distribution is set-off against Funds Shareholders’ share of the Net Class Settlement Fund.<sup>4</sup>

Defendants, their respective counsel, and all other Released Defendant Parties will have no responsibility or liability whatsoever for the investment of the Settlement Amount, the distribution of the Net Class Settlement Fund, the Plan of Allocation, or the payment of any claim. The Defendants had no involvement in the proposed Plan of Allocation. Defendants, their respective counsel, and all other Released Defendant Parties except the Funds will have no responsibility or liability whatsoever for the allocation of the Net Funds Settlement Fund among the three Funds and the distribution of the Net Funds Settlement Fund to the Funds Shareholders. Lead and Derivative Plaintiffs and their counsel and the Funds and their counsel likewise will have no liability for their reasonable efforts to execute, administer, and distribute the Net Class and Funds Settlement Funds.

#### **CALCULATION OF “RECOGNIZED LOSS AMOUNTS,” “RECOGNIZED CLAIMS,” AND “CLASS DISTRIBUTION”**

Based on the formulas set forth below and in accordance with the Plan, a Recognized Loss Amount shall be calculated for each share held and redeemed during the Holders/Sellers Loss Period (July 3, 2006 through May 29, 2009) and is shown in the Proof of Claim attached hereto. All shares held on and after July 3, 2006 were eventually redeemed, including those held on May 29, 2009, when the Funds Shareholders approved the proposal to liquidate the Funds, and the Funds thereafter paid out most of their remaining assets to the Funds Shareholders.

The Plan shall distribute the Net Class Settlement Fund to those Authorized Claimants who (i) held shares in one or more of the Funds at any time during the Holders/Sellers Loss Period and (ii) incurred a **Compensable Loss** during the Holders/Sellers Loss Period (July 3, 2006 through May 29, 2009) that, together with the **Index Adjustment**, constitutes each Authorized Claimant’s **Recognized Loss Amount** for each Fund. An Authorized Claimant’s **Total Recognized Loss Amount** for all Funds, reduced by the distribution said Claimant received from the settlement funds established in connection with settlements by certain of the Defendants with state regulators (“State Regulators’ Fund”) and the SEC (“SEC Fair Fund”), is that Claimant’s **Recognized Claim**. If a **Recognized Claim** is calculated to be a negative number, that **Recognized Claim** shall be zero. An Authorized Claimant’s **Class Distribution** will be the amount determined by (i) dividing the Authorized Claimant’s **Recognized Claim** by the aggregate **Recognized Claims** of all Authorized Claimants, (ii) multiplying the fraction derived in clause (i) by the Net Class Settlement Fund, and (iii), if the Authorized Claimant is also a Funds Shareholder, subtracting the Claimant’s **Funds’ Distribution**.

**An Authorized Claimant’s Recognized Loss Amount is the “Invested Amount” less the “Recovered Amount” plus the “Index Adjustment.”** The “**Invested Amount**” is the dollar value of the Authorized Claimant’s shares held on July 3, 2006 (based on the NAV reported for each Fund for that date and without regard to the cost basis for those shares), plus the dollar value of all

<sup>4</sup> Lead Plaintiffs estimate that 11% of the Funds’ Distribution will be paid to Funds Shareholders who are not Settlement Class Members because they are excluded from sharing in the Class Settlement Fund and, thus, will not be deducted from Net Class Settlement Fund distributions.

purchases or acquisitions from July 3, 2006, through May 29, 2009, including shares acquired upon reinvested dividends. An Authorized Claimant's "**Recovered Amount**" is the dollar value of all **Dividends Received** from July 3, 2006, through May 29, 2009, plus the dollar value of the net proceeds of all share sales/redemptions from July 3, 2006, through and including the amount paid by each Fund on or after May 29, 2009, based on the NAV at which the shares were redeemed (before deducting loads, commissions, taxes, and fees). The term "**Dividends Received**" shall refer to the total cash dividends and capital gain distributions per share received (whether or not reinvested) during the Holders/Sellers Loss Period. The term "**Funds' Distribution**" is the distribution that Funds Shareholders will receive from the Funds Settlement Fund net of expenses ("Net Funds Settlement Fund").

The term **Index Adjustment** is the change in the Benchmark relevant to the Fund for which the **Recognized Loss Amount** is calculated between the **Investment Date** (July 3, 2006 for shares held on that date or later for shares acquired after July 3, 2006) and the date or dates the **Invested Amount** was redeemed. The Funds paid substantial dividends on their shares. To account for the impact of these dividend payments during the Holders/Sellers Loss Period, the value of dividends received is included as part of the **Recovered Amount**—i.e., the total value received (whether or not the dividend was taken in cash or immediately reinvested in the Fund; such reinvestment is treated as a separate purchase). The computation of the **Recognized Loss Amounts** under the Plan compares an Authorized Claimant's total return on his or her investment in the Funds, including dividend income, with the relevant Index's total return, which likewise includes periodic income such as interest and dividends. By comparing a Fund's and its Index's total returns in this manner, the end result is that dividends received from the Funds reduce an Authorized Claimant's Recognized Loss Amount only to the extent that such dividend income exceeds the interest, dividend, or other income that would have been earned as a result of an investment in the relevant Index at the same time and during the same period. Thus, this methodology seeks to measure an Authorized Claimant's loss on her/his/its investment in one or more of the Funds by reference to how that Claimant's investment would have performed if, as Plaintiffs allege, that Fund had been managed in a manner consistent with its Index.

The Index Adjustment shall be calculated over the life of the actual investment on or after July 3, 2006 (i.e., using the NAV on the later of July 3, 2006 or the date of the initial investment in the Funds if later than July 3, 2006) multiplied by the Percentage Change in the Index from the **Investment Date** to the redemption date. The Percentage Change in the Index shall be calculated as the value of the Index on the redemption date divided by the value of the Index on the **Investment Date** minus one.

#### RMK Select Short Term Bond Fund.

1. STF's NAV on July 3, 2006 was \$9.98; STF shares purchased or redeemed between July 3, 2006 and July 1, 2007 were at NAVs that ranged from \$9.97 to \$10.11 and thereafter were at NAVs lower than \$10.00.
2. For each STF share held and redeemed during the Holders/Sellers Loss Period, and assuming such share was held on July 3, 2006, the **Recognized Loss Amount** per share shall be the **Invested Amount** *minus* the **Recovered Amount** *plus* the **Index Adjustment**. The **Index Adjustment** shall be calculated as \$9.98 (the NAV on July 3, 2006) *multiplied* by the **Percentage Change in the Index** from July 3, 2006 to the redemption date. The **Percentage Change in the Index** shall be calculated as the value of the Index on the redemption date *divided* by the value of the Index on July 3, 2006 *minus* one. The total **Recognized Loss Amounts** for STF and any other Fund shall equal an Authorized Claimant's **Recognized Claim**.
3. An Authorized Claimant's **Class Distribution** shall equal that Claimant's *pro rata* share of the Net Class Settlement Fund determined by dividing the Claimant's **Recognized Claim** by the aggregate **Recognized Claims** of all Authorized Claimants.
4. The **Class Distribution** of Authorized Claimants who are Funds Shareholders shall be reduced by that Claimant's **Funds' Distribution** but not to a number less than zero.<sup>5</sup>

#### RMK Select Intermediate Bond Fund

1. IBF's NAV on July 3, 2006 was \$9.83; IBF shares purchased or redeemed between July 3, 2006 and July 1, 2007 were at NAVs that ranged from \$9.46 to \$10.00 and thereafter were at NAVs lower than \$9.47.
2. For each IBF share held and redeemed during the Holders/Sellers Loss Period, and assuming such share was held on July 3, 2006, the **Recognized Loss Amount** per share shall be the **Invested Amount** *minus* the **Recovered Amount** *plus* the **Index Adjustment**. The **Index Adjustment** shall be calculated as \$9.83 (the NAV on July 3, 2006) *multiplied* by the **Percentage Change in the Index** from July 3, 2006 to the redemption date. The **Percentage Change in the Index** shall be calculated as the value of the Index on the redemption date *divided* by the value of the Index on July 3, 2006 *minus* one. The total **Recognized Loss Amounts** for IBF and any other Fund shall equal an Authorized Claimant's **Recognized Claim**.

<sup>5</sup> For example, if you held one STF share on July 3, 2006, redeemed it on December 28, 2007, for \$8.44, and received dividends totaling \$0.2189 during that period, your Recognized Loss Amount would be:

$$(\text{July 3, 2006 NAV} - \text{Dividends Received} - \text{Redemption NAV}) + (\text{July 3, 2006 NAV} \times [(\text{Index on redemption date} / \text{Index on July 3, 2006}) - 1])$$

$$(\$10.00 - \$0.2189 - \$8.44) + (\$10.00 \times [(1044.142 / 949.159) - 1]) = \$1.34 + \$1.00 = \$2.34.$$

If the dividends received were reinvested, your Recognized Loss Amount would be:

$$(\text{July 3, 2006 NAV} - \text{Dividends Received} + \text{Reinvested Dividends} - \text{Redemption NAV}) + (\text{July 3, 2006 NAV} \times [(\text{Index on redemption date} / \text{Index on July 3, 2006}) - 1])$$

$$(\$10.00 - \$0.2189 + \$0.2189 - \$8.44) + (\$10.00 \times [(1044.142 / 949.159) - 1]) = \$1.56 + \$1.00 = \$2.56.$$

3. An Authorized Claimant's **Class Distribution** shall equal that Claimant's *pro rata* share of the Net Class Settlement Fund determined by dividing the Claimant's **Recognized Claim** by the aggregate **Recognized Claims** of all Authorized Claimants.
4. The **Class Distribution** of Authorized Claimants who are Funds Shareholders shall be reduced by that Claimant's **Funds' Distribution** but not to a number less than zero.<sup>6</sup>

#### RMK Select High Income Fund.

1. HIF's NAV on July 3, 2006 was \$10.19; HIF shares purchased or redeemed between July 3, 2006 and July 1, 2007 were at NAVs that ranged from \$9.21 to \$10.27 and thereafter were at NAVs lower than \$9.21.
2. For each HIF share held and redeemed during the Holders/Sellers Loss Period, and assuming such share was held on July 3, 2006, the Recognized Loss Amount per share shall be the Invested Amount *minus* the Recovered Amount *plus* the **Index Adjustment**. The **Index Adjustment** shall be calculated as \$10.19 (the NAV on July 3, 2006) *multiplied* by the **Percentage Change in the Index** from July 3, 2006 to the redemption date. The **Percentage Change in the Index** shall be calculated as the value of the Index on the redemption date *divided* by the value of the Index on July 3, 2006 *minus* one. The total **Recognized Loss Amounts** for HIF and any other Fund shall equal an Authorized Claimant's **Recognized Claim**.
3. An Authorized Claimant's **Class Distribution** shall equal that Claimant's *pro rata* share of the Net Class Settlement Fund determined by dividing the Claimant's **Recognized Claim** by the aggregate **Recognized Claims** of all Authorized Claimants.
4. The **Class Distribution** of Authorized Claimants who are Funds Shareholders shall be reduced by that Claimant's **Funds' Distribution** but not to a number less than zero.<sup>7</sup>

Regarding all three Funds, an Authorized Claimant's Recognized Claim for all Funds in which that Claimant invested shall be reduced by the distribution(s) said Claimant received from the State Regulators' Funds and/or the SEC Fair Fund.

#### Additional General Provisions

Distributions to Authorized Claimants will be made after all claims have been processed and after the Court has approved the Claims Administrator's determinations. After an initial distribution of the Net Class and Funds Settlement Funds, if there is any balance remaining in the Net Class Settlement Fund after at least twelve (12) months from the date of the initial distribution of the Net Class Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), Lead Counsel with respect to the Net Class Settlement Fund shall, if feasible and economical, reallocate in an equitable and economic fashion such balance among Authorized Claimants who have cashed their checks. Any balance that still remains in the Net Class Settlement Fund, after payment of Notice and Administration Expenses, Taxes, and attorneys' fees and expenses, if any, shall be contributed to a non-sectarian charitable organization(s) serving the public interest, designated by Lead Plaintiffs and approved by the Court. To the extent that any funds distributed from the Net Funds Settlement Funds are returned or otherwise unable to be distributed to the Funds Shareholders, the Funds' board of directors will determine, at that time, what appropriate action to take, pursuant to the Plan of Liquidation previously approved by the Funds Shareholders.

Recognized Loss Amounts, Recognized Claims, and Class Distributions will be calculated as defined herein and payment in this manner will be deemed conclusive against all Authorized Claimant, including Funds Shareholders who, as Settlement Class Members, are also Authorized Claimants. Each Authorized Claimant is deemed to have submitted to the jurisdiction of the United States District Court for the Western District of Tennessee for all purposes relevant to the implementation and administration of the Settlement.

#### L. SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you held shares of STF, IBF, or HIF for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you held shares of the Funds during such time period;

<sup>6</sup> For example, if you held one IBF share on July 3, 2006, redeemed it on December 28, 2007, for \$4.55, and received dividends totaling \$0.3095 during that period, your Recognized Loss Amount would be:

$$(\text{July 3, 2006 NAV} - \text{Dividends Received} - \text{Redemption NAV}) + (\text{July 3, 2006 NAV} \times [(\text{Index on redemption date} / \text{Index on July 3, 2006}) - 1])$$

$$(\$9.47 - \$0.3095 - \$4.55) + (\$9.47 \times [(1316.738 / 1178.10) - 1]) = \$4.73 + \$1.11 = \$5.84.$$

If the dividends received were reinvested, your Recognized Loss Amount would be:

$$(\text{July 3, 2006 NAV} - \text{Dividends Received} + \text{Reinvested Dividend} - \text{Redemption NAV}) + (\text{July 3, 2006 NAV} \times [(\text{Index on redemption date} / \text{Index on July 3, 2006}) - 1])$$

$$(\$9.47 - \$0.3095 + \$0.3095 - \$4.55) + (\$9.47 \times [(1316.738 / 1178.10) - 1]) = \$5.04 + \$1.11 = \$6.15.$$

<sup>7</sup> For example, if you held one HIF share on July 3, 2006, redeemed it on December 28, 2007, for \$3.49, and received dividends totaling \$0.4523 during that period, your Recognized Loss Amount would be:

$$(\text{July 3, 2006 NAV} - \text{Dividends Received} - \text{Redemption NAV}) + (\text{July 3, 2006 NAV} \times [(\text{Index on redemption date} / \text{Index on July 3, 2006}) - 1])$$

$$(\$9.21 - \$0.4523 - \$3.49) + (\$9.21 \times [(1042.395 / 949.559) - 1]) = \$5.27 + \$0.90 = \$6.17.$$

If the dividends received were reinvested, your Recognized Loss Amount would be:

$$(\text{July 3, 2006 NAV} - \text{Dividends Received} + \text{Reinvested Dividend} - \text{Redemption NAV}) + (\text{July 3, 2006 NAV} \times [(\text{Index on redemption date} / \text{Index on July 3, 2006}) - 1])$$

$$(\$9.21 - \$0.4523 + \$0.4523 - \$3.49) + (\$9.21 \times [(1042.395 / 949.559) - 1]) = \$5.82 + \$0.90 = \$6.72.$$

or (b) request additional copies of this Notice and the Proof of Claim, which will be provided to you free of charge, and within seven (7) days thereafter mail the Notice and Proof of Claim directly to the beneficial owners of those shares of the Funds.

If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you are to send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Amount of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

In re Regions Morgan Keegan Open-End Mutual Fund Litigation  
c/o GCG  
PO Box 10146  
Dublin, Ohio 43017-3146  
Phone: 1-855-382-6448  
info@rmkopenendfundsettlement.com  
www.rmkopenendfundsettlement.com

**DO NOT CONTACT THE COURT REGARDING THIS NOTICE**

If you have any questions about the Settlement, you may contact the following Plaintiffs' Lead Counsel:

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Dated: November 30, 2015

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF TENNESSEE  
WESTERN DIVISION