



## NMI SETTLEMENT FUND

POST OFFICE BOX 501247, SAIPAN, MP 96950

July 16, 2024

**BY HAND DELIVERY AND  
ELECTRONIC MAIL**

*senpres.edithdlg@gmail.com*

Hon. Edith E. Deleon Guerrero  
Senate President  
**23rd Northern Marianas Commonwealth Legislature**  
P.O. Box 500129  
Saipan, MP 96950

**RE: FY 2018-FY 2020 Alternative Payment of a Greater Amount ("APGA")**

President Deleon Guerrero:

I am writing in response to certain statements you made at the Saipan Chamber of Commerce general membership meeting regarding the Alternative Payment of a Greater Amount ("APGA") for the period FY 2018 - FY 2020, that was reported in the Saipan Tribune newspaper on July 10, 2024. The Saipan Tribune quoted you as follows: "there's an overpayment of about \$25.6 million from fiscal year 2018 to fiscal year 2020 that the CNMI government paid to the Settlement Fund, according to their alternative payment of a greater amount . . . ." This statement is patently false.

The Settlement Fund did not receive APGA for the period covering FY 2018 - FY 2020. This is because the Government's total revenue reported in its audited financials for these years did not meet the threshold to trigger APGA. It would be helpful to understand how APGA is calculated, and the math will confirm that APGA was not due for these periods.

The Settlement Agreement requires the Government to make an additional payment to the Settlement Fund (the APGA), if a threshold annual revenue is met. This threshold is determined by calculating the difference of seventeen percent (17%) of the Government's Total Annual Revenue ("17% Total Annual Revenue") and the Minimum Annual Payment ("MAP") paid. *See Settlement Agreement § 4.2.* A copy of the Settlement Agreement is attached for your reference.

In other words, if the 17% Total Annual Revenue for any fiscal year is greater than the MAP for that fiscal year, the difference would be the APGA due. Inversely, if the 17% Total Annual Review is less than the MAP for the same fiscal year, then APGA would not be due for that fiscal year.

Information regarding the APGA is reported each year in the Report of the Trustee which is available on the Settlement Fund's website: <https://www.nmisf.com/settlement-trustee-reports/>. *See Report of the Trustee Combined Fourth Quarter FY 2019 through First Quarter*

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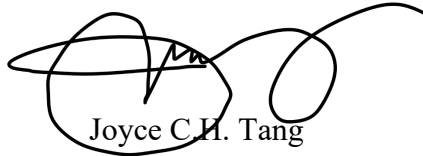
*FY 2022 (ECF 810, at 5); Report of the Trustee Combined First Quarter FY 2023 through Fourth Quarter FY 2023 (ECF 865, at 12).* At least once a year, we present the Trustee's Report to Chief Judge Tydingco-Gatewood at the District Court hearing.

The table below summarizes the amount of the MAP compared to the 17% Total Annual Revenue for the respective years. As you can see, the MAP was greater than the 17% Total Annual Revenue for FY2018 – FY2020, therefore, APGA was not due.

<b>Fiscal Year</b>	<b>MAP</b>	<b>17% Total Annual Revenue</b>
2018	\$45,000,000	\$43,173,933.68
2019	\$44,000,000	\$33,024,288.01
2020	\$42,000,000	\$29,169,940.58

Financial information and other information relating to the Settlement Fund's operations are available in many public sources including the Trustee Reports and media reports. The Settlement Fund Administrator, Lillian Pangelinan, and I are also available to respond to questions you may have regarding the Settlement Fund. I strongly encourage you to contact us with any questions you may have in advance of making statements regarding the Settlement Fund.

Sincerely,



Joyce C.H. Tang

Enclosure: Settlement Agreement

cc: Hon. Arnold I. Palacios, Governor  
Hon. David M. Apatang, Lt. Governor  
Tracy Norita, Secretary of Finance  
Edward E. Manibusan, Attorney General

**FINAL AMENDED STIPULATION AND AGREEMENT OF SETTLEMENT**

This Stipulation and Agreement of Settlement is entered into by and between, on the one hand, plaintiff BETTY JOHNSON (“Johnson”), individually and as the putative representative of the Settlement Class (defined in paragraph 2.1 below) and, on the other hand, ELOY S. INOS, Governor of the Commonwealth of the Northern Mariana Islands (“CNMI”); NORTHERN MARIANA ISLANDS RETIREMENT FUND (“CNMI Fund”); The TRUSTEE AD LITEM for the CNMI Fund, the CNMI GOVERNMENT; the NORTHERN MARIANA ISLANDS RETIREMENT FUND BOARD OF TRUSTEES; the CNMI DEPARTMENT OF FINANCE; ADELINA C. ROBERTO, CNMI Fund Trustee and Vice Chairwoman; NACRINA BARCINAS, CNMI Fund Trustee; RICHARD S. VILLAGOMEZ, CNMI Fund Administrator; LARRISA LARSON, Secretary of the CNMI DEPARTMENT OF FINANCE; COMMONWEALTH HEALTHCARE CORPORATION (“CHC”); PUBLIC SCHOOL SYSTEM (“PSS”); and the NORTHERN MARIANAS COLLEGE (“NMC”); subject to preliminary and final approval by the District Court.<sup>1</sup>

**I. RECITALS**

This Agreement is made with reference to and in contemplation of the following facts and circumstances.

**A. The Johnson Action.**

On June 26, 2009, Johnson filed a class action in the federal District Court for the Northern Mariana Islands, Case No. 09-000023, against CNMI and other defendants asserting

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<sup>1</sup> Section II below contains the definitions of capitalized terms utilized herein unless otherwise noted.

claims arising from the CNMI's failure to pay required annual contributions to the CNMI Fund and to pay on a judgment the CNMI Fund had obtained against the CNMI for its failure to pay legally mandated contributions in an action in the Superior Court of the CNMI, Case No. 06-0367 (the "Superior Court Action"). On September 10, 2012, Johnson filed a Second Amended Complaint on behalf of a class defined as, "all retired members of the Commonwealth of the Northern Mariana Retirement Fund or persons eligible for survivor's benefits of members of the Fund," alleging counts for (1) breach of contract; (2) violation of the United States Constitution, (3) violation of the CNMI Constitution, (4) deprivation of rights in violation of 28 U.S.C. § 1983, (5) breach of fiduciary duty, (6) unjust enrichment, and (7) appointment of a federal receiver. Johnson alleged generally that because of the CNMI's failure to pay on the Superior Court judgment and failure to pay its annual contributions as required by the law, Johnson's and the class's accrued benefits had been impaired and diminished, and the CNMI Fund is grossly underfunded, and will soon be unable to pay any benefits or even continue to exist.

**B. Mediation with Judge Faris.**

Plaintiff's Counsel has investigated the facts relating to the claims alleged and the underlying events and transactions in the Johnson Action, and related litigation, including the Superior Court Action, and has analyzed the legal principles applicable to the claims and defenses asserted in these actions. Plaintiff's Counsel and counsel for Defendants and some other interested parties have engaged in extensive, good faith arm's length negotiations concerning the possible settlement of all claims of the Plaintiff and Class, including a formal mediation conducted by the Mediator -- the Honorable Robert Faris, Bankruptcy Judge for the District of Hawaii. Mediation sessions were conducted by video teleconference commencing in April 2013 and culminating in three days of intense formal mediation sessions in the District Court for the

Northern Mariana Islands on June 24-26, 2013. Mediation by telephone continued between the parties with the continuing participation of Judge Faris throughout July. The mediation sessions have resulted in the settlement set forth in this Agreement.

**C. Plaintiffs' Counsel's Investigation.**

Plaintiff's Counsel have thus far concluded, based upon their investigation and continuing discovery and taking into account the sharply contested issues involved, the risks, uncertainty and costs of further prosecution of the Johnson Action and possible appeals, and the current and likely future fiscal condition of the CNMI compared to the benefits to be received pursuant to this Agreement, that a settlement with the CNMI and the other defendants on the terms set forth herein is fair, reasonable, adequate and in the best interests of the Settlement Class.

**D. Purpose.**

It is the Parties' desire and intention to effect a full, complete, final settlement and global resolution of all existing disputes and claims that relate to or arise out of the CNMI and its Autonomous Agencies' failure to properly fund the CNMI Fund which resulted in the Johnson Action and other actions while preserving the Settlement Class's constitutional rights to accrued retirement benefits that are not diminished or impaired. To this end, the Settlement Class is willing to agree to a revision of their benefits as provided herein while preserving their constitutional right to the benefits as provided herein.

The primary purpose of this Agreement is to insure that retirees who are part of this Agreement will always get paid at least 75% of their benefits and will always get paid as much as any retiree who opts-out of this agreement. This Agreement is not intended to and does not prevent the CNMI from making additional payments to retirees in the future. In particular,

nothing in this Agreement prevents the CNMI from enacting legislation to address the hardships that the 25% reduction may pose on retirees. As discussed below, the Parties will seek preliminary and final approval of this settlement and this Agreement in the District Court.

NOW, THEREFORE, in consideration of the premises and agreements set forth herein, it is hereby STIPULATED AND AGREED, subject to the District Court's approval, that each and every claim that has been alleged, or could have been alleged, in the Johnson Action, shall be settled and compromised, but only to the extent that the Settlement Class's claims are redefined by the following terms and conditions which are expressly understood to preserve the constitutional nature and quality of the Settlement Class's rights:

## **II. DEFINITIONS**

1.0 "Annual Contributions" means the annual payments that the CNMI is required to make to the Settlement Fund as required by this Agreement. Funds reasonably necessary to pay the operating expenses of the Settlement Fund must always be provided for when calculating any minimum annual payments under this Agreement.

1.1 "Assets of the CNMI Fund" means all assets of the CNMI Fund except; (a) those assets held by the CNMI Fund exclusively for the Defined Contribution Plan (1 CMC §§ 8451-8478); (b) money owed by the CNMI Government Credit Union to the CNMI Fund; and (c) home mortgage loans made by the CNMI Fund. The loan made by the CNMI Fund for the purpose of building the Saipan Judicial Complex is an Asset of the Fund under this paragraph. Individual accounts of members of the Defined Contribution Plan are not Assets of the CNMI Fund. Any and all rights the CNMI Fund has relating in any way to the proceeds arising from the assigned claims asserted in the action styled, *Taitano et al. v. Merrill Lynch, Pierce, Fenner &*

*Smith, Inc.* which is currently pending in arbitration before the Financial Industry Regulatory Authority is an Asset of the CNMI Fund.

1.2 “Autonomous Agency” means any autonomous agency, instrumentality, municipality, public corporation and any other designation not covered by paragraph 1.5, to include but not limited to the Commonwealth Utility Corporation, , the Commonwealth Ports Authority, Commonwealth Development Authority, the Marianas Visitors Authority, the Commonwealth Government Employee Credit Union, the Northern Marianas Housing Corporation, the Municipality of Tinian and Aguiguan (inclusive of the Tinian Casino Gaming Control Commission, the Tinian Municipal Treasury, the Tinian Mayor's Office and the Tinian Youth Center), CHC, NMC, PSS and any other agencies or entities created by the CNMI.

1.3 “Class Counsel” means Margery Bronster and Robert Hatch of Bronster Hoshibata a Law Corporation, Bruce Jorgensen, and Stephen Woodruff.

1.4 “Class Member” means any person who is a member of the Settlement Class, but after the time to request exclusions has expired, it only means persons who are members of the Settlement Class who have not timely and validly requested exclusion.

1.5 “CNMI” means the Commonwealth of the Northern Mariana Islands and its Government.

1.6 “CNMI Fund” means the Northern Mariana Islands Retirement Fund.

1.7 “Consent Judgment” means the judgment in the amount of the actuarial present value of accrued benefits of the Settlement Class in the form of Judgment attached hereto as Exhibit D.

1.8 “Defined Benefit Plan” means the benefits and obligations described in 1 CMC § 8301 et seq. but not including the Northern Mariana Islands Public Employees’ Defined Contribution Retirement Plan set forth at 1 CMC § 8451 et seq.

1.8.1 “Discharge” means the date on which the District Court orders the TAL discharged and released from his duties under the September 14, 2012 Order of appointment and subsequent Orders that define the TAL’s duties.

1.9 “District Court” means the United States District Court for the Northern Mariana Islands.

1.10 “Election to Terminate” means a timely Election to Terminate Membership in the Defined Benefit Plan executed in writing by a Member of the Defined Benefit Plan prior to August 6, 2013.

1.11 “Final Approval Order” means the order the Parties have agreed to ask the District Court to enter in the Johnson Action, as provided for in paragraph 25.0 below, substantially in the form attached hereto as Exhibit A. And “Final Approval” means both the fact that the Final Approval Order has been entered and the moment the “Final Approval Order” is entered.

1.12 “Final Fairness Hearing” means the hearing at which the District Court will consider and finally decide whether to approve the settlement provided for in this Agreement, enter the Final Approval Order and make such rulings as are contemplated by this Agreement.

1.13 “Full Benefit Payments” or “Full Benefits” means benefit payments in the amount defined by 1 CMC § 8301 et seq. (excluding any changes by P.L. 17-82 or P.L. 18-02) as those laws existed on June 26, 2013, or guaranteed by N. Mar. I. Const. art. II, § 20 (a) as it existed in June 26, 2013.



1.14 “Fiscal Year” means the twelve month period running from October 1 to September 30 of the calendar year. Thus FY 2014 is October 1, 2013 to September 30, 2014.

1.41 “Liabilities of the CNMI Fund” means all liabilities of the Defined Benefit Plan incurred in the CNMI Retirement Fund.

1.15 “Low Balance” means the Settlement Fund has insufficient funds to make one month of payments to the Settlement Class Members in the amount of 75% of their Full Benefit Payments. Funds reasonably necessary to pay the operating expenses of the Settlement Fund are excluded from this determination.

1.16 “Notice” means the notice of the Settlement substantially in the form of Exhibit B attached hereto to be sent by mail to the Settlement Class Members.

1.17 “Parties” means Plaintiff Betty Johnson, Eloy S. Inos, Governor of the CNMI; Northern Mariana Islands Retirement Fund (“CNMI Fund”); The Trustee Ad Litem for the CNMI Fund, the CNMI Government; the Northern Mariana Islands Retirement Fund Board of Trustees; the CNMI Department of Finance; Adelina C. Roberto, CNMI Fund Trustee and Vice Chairwoman; Nacrina Barinas, CNMI Fund Trustee; Richard S. Villagomez, CNMI Fund Administrator; Larissa Larson, Secretary of the CNMI Finance Department; the CHC, the PSS; the NMC; and the TAL.

1.18 “Plaintiff” means plaintiff Betty Johnson individually and as representative for the Settlement Class.

1.19 “Plaintiffs’ Counsel” and “Class Counsel” means Margery Bronster and Robert Hatch of Bronster Hoshibata a Law Corporation, Bruce Jorgensen, and Stephen Woodruff.

1.20 “Preliminary Approval Order” means an order to be entered by the District Court in the Johnson Action, as provided for in paragraph 22.0 below, substantially in the form

attached hereto as Exhibit C. And “Preliminary Approval” means both the fact that the Preliminary Approval Order has been entered and the moment the “Preliminary Approval Order” is entered.

1.21 “Publication Notice” means the notice of the settlement that the CNMI will, subject to the District Court’s approval, cause to be published pursuant to paragraph 19.0 below, substantially in the form attached hereto as Exhibit B.

1.22 “Retirement Benefits” means retirement, survivor, and disability benefits.

1.23 “Settlement Class” means Plaintiff and any other person within the definition of Settlement Class, certified solely for purposes of this settlement, as provided for in paragraphs 2.0 and 2.1 below. Any person who is a member of the Settlement Class ceases to be a member of the settlement Class upon submission of a timely and valid request for exclusion.

1.24 “Settlement Fund” means the fund created by this Agreement to accept a transfer of the Assets of the CNMI Fund as provided in this Agreement, to receive the Annual Contributions and other payments paid by the CNMI as provided by this Agreement, and to own the Consent Judgment entered by the District Court upon Final Approval as specified in this Agreement and to and receive immediate, irrevocable assignment of the CNMI Fund’s interests in the Consent Judgment upon entry.

1.25 “TAL” means the Trustee Ad Litem for the CNMI Fund as appointed by the District Court. At the time of this Agreement the TAL is Civile & Tang, PLLC, and Joseph C. Razzano who has been designated the principal and all references to the TAL in an individual capacity refers to Mr. Razzano.

1.26 “Total Annual Revenue” means all annual revenue received by the CNMI as reported on the CNMI’s audited financial statements in a fiscal year from all sources except

revenue from the United States that is designated by the United States to be used for specific purposes other than to benefit in any way the CNMI Fund or the Settlement Fund. The Total Annual Revenue shall be reduced by any amounts the CNMI pays directly to and exclusively for the benefit of Settlement Class Members and arising from their rights as Settlement Class Members including but not limited to Pension Obligation Bond payments, GHLI benefit payments made on behalf of Settlement Class Members, and payments for Class Counsel's fees.

1.27 "Trustee" means the person who shall be appointed by order of the District Court to administer and run the Settlement Fund as fiduciary to the Settlement Class.

### **III. TERMS OF THE SETTLEMENT**

2.0 Certification of the Settlement Class. The Parties agree that the District Court pursuant to the requirements of Federal Rule of Civil Procedure 23 should enter an order certifying the Settlement Class in substantially the form of the Preliminary Approval Order attached hereto as Exhibit C.

2.1 Definition of the Settlement Class. The Parties agree the Settlement Class should be defined as:

All persons who on August 6, 2013 are members of the Defined Benefit Plan of the Northern Mariana Islands Retirement Fund or persons who are entitled to survivor's benefits of such members; provided the person did not execute and deliver to the CNMI Fund a timely Election to Terminate.

2.2 Class Representative and Class Counsel. The Parties agree subject to approval by the District Court that Plaintiff Betty Johnson is the Class Representative and Class Counsel are Margery Bronster and Robert Hatch of Bronster Hoshibata a Law Corporation, Bruce Jorgensen, and Stephen Woodruff. The Class Representative and Class Counsel shall, independent of the

Trustee, have a continuing right and duty to represent the interests of the Settlement Class in securing their Retirement Benefits as provided in this Agreement.

3.0 Annual Audits. The CNMI is required as part of this Agreement to obtain timely audited financial statements prepared by a certified public accounting firm in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, as amended from time to time. The certified public accounting firm selected must have performed audits for States of the United States within the past five years.

4.0 Annual Payments the CNMI Must Pay to the Settlement Fund. The CNMI agrees to make the following minimum annual payments for the following fiscal years:

2014	\$25,000,000
2015	\$27,000,000

After FY2015, the CNMI agrees to make minimum annual payments to the Settlement Fund sufficient to enable the Settlement Fund to pay 75% of Class Members' Full Benefits each year for the Settlement Fund's expected life and as determined by an independent actuary appointed by the Trustee and approved by the District Court. The Parties project that the minimum annual payments necessary to enable the Settlement Fund to pay 75% of Class Members' Full Benefits each year will likely be at least:

2016	\$30,000,000
2017	\$33,000,000
2018	\$45,000,000
2019	\$44,000,000
2020	\$43,000,000
2021	\$42,000,000
2022	\$41,000,000
2023	\$40,000,000
2024	\$39,000,000

The CNMI agrees to continue to make annual payments in these minimum amounts unless the District Court determines after a hearing that a different amount is required to enable payment to Class Members of 75% of their Full Benefits. The minimum annual payments required by this paragraph shall be supplemented as provided in paragraph 5.0 below. In the event that the CNMI pays an annual amount in excess of the annual amount required by this paragraph or paragraphs 4.1 or 4.2 below, the CNMI's minimum annual payment for the following year is reduced by the amount paid in excess.; In the event that the CNMI makes payments such that it reduces the minimum payment for the subsequent year(s) to less than \$3,000,000, the CNMI shall still be obligated to transfer in any fiscal year at least the lesser of \$3,000,000, or the annual costs to pay 75% the Settlement Class Members' Full Benefits plus reasonable annual administrative costs. Any amounts paid to meet the minimum transfer amount shall be credited to the CNMI's minimum annual payment for the following year as appropriate.

4.1 Annual Payments after FY 2024. After the Fiscal Year 2024, the CNMI agrees to make minimum annual payments to the Settlement Fund sufficient to enable the Settlement Fund to pay 75% of Class Members' Full Benefits each year for the Settlement Fund's expected life as determined by an independent actuary appointed by the Trustee and approved by the District Court. The minimum annual payments required by this paragraph shall be supplemented as provided in paragraph 5.0 below.

4.2 Alternative Payment of a Greater Amount if the CNMI Economy Improves. Before each fiscal year, the Trustee, Class Counsel and the CNMI shall review the audited financial statements for the most recent year available and determine the Total Annual Revenue received by the CNMI. If the Trustee, Class Counsel and CNMI cannot agree on the amount of the Total Annual Revenue they shall submit their respective views to the District Court for

resolution. If 17% of the Total Annual Revenue, as agreed by the Trustee, Class Counsel, and the CNMI or as determined by the District Court is greater than the minimum annual amount paid by the CNMI under paragraphs 4.0-4.2, then the CNMI shall within 60 days pay the difference to the Settlement Fund.

4.3 The Timing of Annual Payments. The minimum annual payments provided for in paragraphs 4.0, 4.1 and 4.2 above may be paid in irregular installments over the course of the fiscal year they are due, but the CNMI must pay at least 15% of the annual payment by the end of the first quarter of each fiscal year, 50% by the end of the first six months of the fiscal year, 70% by the end of the third quarter of the fiscal year, and the balance by the end of the fiscal year.

4.4 Minimum Settlement Fund Balance. Notwithstanding the provisions of paragraph 4.3, if the Trustee determines that the Settlement Fund is within thirty days of having a Low Balance, the Trustee shall give notice of a Low Balance to the CNMI. The notice shall include a statement of the amount necessary to make bi-weekly payments to Settlement Class Members in the amount of 75% of their Full Benefit Payments. This amount shall be updated by the Trustee as it changes over time. Upon receipt of notice of an impending Low Balance, the CNMI has two weeks to begin making bi-weekly payments to the Settlement Fund in minimum amounts sufficient to enable the Settlement Fund to pay the Settlement Class Members 75% of their Full Benefit Payments. In the event that the CNMI pays the Settlement Fund enough money so that it is no longer within 30 days of a Low Balance, the CNMI may stop making bi-weekly payments and return to making payments as provided in paragraph 4.3 above. The CNMI can ask the District Court to review the Trustee's determination of a Low Balance and the amount of the bi-weekly payments, but the CNMI must pay these minimum amounts pending the District Court's

review and determination otherwise. Class Counsel may request that the Trustee give notice of a Low Balance and may request that the District Court review the Trustee's determination that a Low Balance does not exist.

4.4.1 Pension Obligation Bond Revenue. The CNMI Fund shall give priority to paying any money received for pension benefits from the issuance of Pension Obligation Bonds to the Settlement Fund to insure compliance with paragraph 21.3 below.

4.5 Cessation of Annual Payments. In the event that the CNMI believes that the Settlement Fund has assets equal to the actuarial present value of accrued benefits of the Settlement Class plus enough money to cover reasonable expenses of the Settlement Fund for its expected life, the CNMI may petition the District Court to allow it to cease making annual payments. If the CNMI shows by a preponderance of the evidence as confirmed by the opinion of an independent actuary that the Settlement Fund has sufficient assets as defined by this paragraph, the District Court may enter an Order to approve the cessation of annual payments by the CNMI and enjoin enforcement of the Consent Judgment. Nothing in this paragraph allows the CNMI or an Autonomous Agency to cease making contributions as required by paragraph 5.0 below.

4.6 No Limitation on Maximum Payment Amounts. Nothing in this Agreement shall be construed to prevent or discourage the CNMI from paying more than the agreed amounts, and the CNMI understands that it is encouraged to pay as much as possible as soon as possible to provide the Settlement Fund with assets equal to the actuarial present value of accrued benefits of the Settlement Class plus enough money to cover reasonable expenses of the Settlement Fund for its expected life.

4.7 Refunds Upon Separation in the Future. If after Final Approval, a Settlement

Class Member satisfies the requirements for the benefit of a refund on separation as provided in 1 CMC § 8356 as it existed on June 26, 2013 excluding P.L. 17-81 and P.L. 18-02, the settlement Class Member shall be entitled to payment from the settlement Fund of 75% of the amount provided for under section 8356.

5.0 Additional Annual Contributions. After Final Approval, all Settlement Class Members who are employed by the CNMI or an Autonomous Agency shall continue to pay employee contributions as required by the laws of the CNMI existing on August 6, 2013 excluding P.L. 17-82 and P.L. 18-02, but these contributions shall be paid to the Settlement Fund not the CNMI Fund; and the CNMI and Autonomous Agencies shall make supplemental payments to the Settlement Fund in the amount of the employer contributions for these Settlement Class Members at the same contribution rates they were paying as of June 26, 2013.

6.0 Failure to Make Annual Payments or Contributions. The Parties have agreed to the entry of a Consent Judgment against the CNMI in favor of the Settlement Fund in the amount of \$779,000,000, or the equivalent of the actuarial present value of benefits related to the Settlement Class Members. The Settlement Fund shall not attempt to enforce the Consent Judgment so long as the CNMI timely makes the minimum annual payments required by paragraphs 4.0, 4.1, and 4.2. In the event, that the Trustee or Class Counsel believes that the CNMI has failed to timely make any of the payments required by paragraphs 4.0, 4.1 and 4.2, the Class Counsel or Trustee may submit a motion to enforce the Consent Judgment in the District Court. The motion shall be served on the CNMI, and the District Court shall have a hearing on the motion no sooner than seven days and no later than fourteen days after it is served on the CNMI. The CNMI may oppose the motion and in addition may request a reduction of the amount of the Consent Judgment to reflect the actuarial present value of accrued benefits of the



Settlement Class as determined by an independent actuary as of the date of the hearing. If the District Court determines the CNMI has failed to timely make a payment required by this Agreement, the District Court shall allow enforcement of the Consent Judgment against the CNMI in the amount of \$779,000,000 or the lesser amount the District Court finds is the actuarial present value of accrued benefits of the Settlement Class as determined as of the hearing date. The CNMI agrees that it cannot appeal this judgment. The CNMI preserves the right to oppose and appeal measures to enforce the Consent Judgment but agrees it cannot contest by appeal the Consent Judgment's validity or the District Court's jurisdiction to enforce it. The CNMI also agrees that it will not stay enforcement of the Consent Judgment pending any appeal, but this shall not impair the CNMI's right to seek restitution of any amounts collected in accordance with a disposition after final appeal.

The Consent Judgment shall not be entered against any individually named defendant in this proceeding in his individual capacity including but not limited to ELOY S. INOS, Governor of the Commonwealth of the Northern Mariana Islands; the TRUSTEE AD LITEM for the CNMI Fund; the NORTHERN MARIANA ISLANDS RETIREMENT FUND BOARD OF TRUSTEES; ADELINA C. ROBERTO, CNMI Fund Trustee and Vice Chairwoman; NACRINA BARCINAS, CNMI Fund Trustee; RICHARD S. VILLAGOMEZ, CNMI Fund Administrator; and LARRISA LARSON, Secretary of the CNMI DEPARTMENT OF FINANCE.

The Consent Judgment may be subject to adjustment from time to time on motion by the CNMI to reflect the actuarial present value of accrued benefits of the Settlement Class as determined by an independent actuary at the time of the motion. Class Counsel and Plaintiff will not oppose the motion, but may dispute the adjusted amount.

7.0 Deferral of Settlement Class Member Benefits. The Settlement Class Members

shall be entitled each year to receive 75% of their Full Benefits. The Settlement Class Members' right to Retirement Benefits shall remain a right guaranteed by the United States and CNMI Constitutions and owed by the CNMI and shall not be transformed by this Agreement into a simple contractual right. The Settlement Class Members are not releasing their claims to their Full Benefits under this Agreement, but they agree that they will be entitled to only 75% of their Full Benefits annually until the Settlement Fund has sufficient assets to pay more and remain actuarially sound while paying more over its life and providing prudently for the costs and future costs of operating the Settlement Fund. The Settlement Class Members also agree that in the event that the Settlement Fund's assets are insufficient to prudently pay benefits as provided herein, the Trustee may pay reduced benefits pro-rata until the Trustee has sufficient assets to prudently pay more upon a showing of necessity and an order confirming the necessity of pro-rata reductions as approved by the District Court.

8.0 The Settlement Fund. Upon Final Approval, all Assets of the CNMI Fund shall transfer and are assigned as assets of the Settlement Fund. To the extent that Assets of the CNMI Fund are in the form of real property, the CNMI Fund transfers to the Settlement Fund only a leasehold interest in that real property for the maximum period allowed by law and for an annual lease payment not to exceed one dollar per year; and to the extent that it is necessary to foreclose on any real property in the CNMI to collect on any loan that was an Asset of the CNMI Fund, the CNMI Fund or CNMI shall hold all real property interests for the benefit of and at the direction of the Settlement Fund, and any proceeds from the disposition of the real property interests shall be paid by the CNMI Fund or CNMI to the Settlement Fund net of collection costs. In addition, upon Final Approval:

- (a) The Settlement Class Members who do not opt out shall cease to be

members of the CNMI Fund and shall be Members of the Settlement Fund only;

(b) All rights and liabilities of the CNMI Fund with respect to any unresolved disputes now existing or hereafter asserted between any Settlement Class Member and the CNMI Fund shall transfer and are assigned as rights and liabilities of the Settlement Fund; and

(c) The Settlement Class Members shall be released and no longer have any obligations or duties to the CNMI Fund, and the CNMI Fund shall no longer have any obligations or duties to pay Retirement Benefits to the Settlement Class Members.

8.1 Assignment. Upon Final Approval, the CNMI Fund shall assign to the CNMI all rights to collect employer contributions deficient as of August 6, 2013 and related costs from the Autonomous Agencies, or any other CNMI instrumentalities except with respect to rights and liabilities related to civil action 11-0114 in the CNMI Superior Court.

8.2 Transfer of Liabilities. All liabilities of the CNMI Fund shall be transferred to the CNMI and are assigned as the liabilities of the CNMI except for the benefits payable to the Settlement Class Members as provided herein.

9.0 Money Owed by the CNMI to the TAL. The District Court previously ordered the CNMI to pay fees and costs as approved by the District Court to the TAL and its professionals. The CNMI has disputed the legality of the District Court's order requiring it to pay those fees and costs and has not yet paid them. The District Court determined that these fees and costs were reasonable without providing an opportunity for objections, and the CNMI believes it should have had an opportunity to dispute the reasonableness of the fees before the District Court made its determination of reasonableness. However, in the interest of advancing this Settlement and without conceding the reasonableness of those fees and expenses, the CNMI (1) waives any right

it may have to challenge the reasonableness of the fees and costs, and (2) agrees to pay fees and costs of the TAL and its Professionals that have been or later are approved by the District Court. The CNMI agrees to pay these fees and costs to the Settlement Fund in equal monthly installments over the twenty-four months following the later of the Final Approval or the last approval order of such fees and costs by the District Court.

9.1 TAL's and Its Professionals' Right to Payment Upon Final Approval. The CNMI Fund has been paying the fees and costs of the TAL and its Professionals as approved by the District Court and will continue to do so as approved, up to the date of Discharge by the Court. To the extent these fees and costs are billed for work done before Discharge, but not yet approved by the District Court before Final Approval, the CNMI Fund shall pay these fees and costs into the client trust account of the TAL. Upon District Court approval of any fees and costs paid by the CNMI Fund into the TAL's client trust account, the TAL may transfer the approved fees and costs to its own account or pay its professionals as the case may be. The TAL shall be terminated and discharged as of the date and in the manner Ordered by the District Court.

10.0 The Trustee. The TAL, CNMI and Class Counsel shall have the right to nominate candidates for the position of Trustee. Nominations shall be submitted after Preliminary Approval and not later than fourteen days before Final Approval. The CNMI, Class Counsel and the TAL shall have the right to object to nominations not later than seven days after they are submitted. Upon Final Approval, and after consideration of the nominations and objections of the CNMI, and Class Counsel, the District Court shall appoint an appropriate and qualified person to act as an officer of the District Court to be the Trustee of the Settlement Fund. The Trustee shall be appointed pursuant to Fed. R. Civ. P. 66 and have all the powers of a federal equity receiver. In the event the Trustee or Class Counsel makes a motion under paragraph 6.0,

the Trustee shall act as receiver for the Settlement Fund. In addition, the Trustee shall have the authority, powers and duties required and necessary, over the “person” of the Settlement Fund to act on all matters or business of the Settlement Fund including but not limited to the following:

- (a) To sue and be sued in his fiduciary capacity, and to direct any and all litigation in which the Settlement Fund is a party, including, but not limited to this matter;
- (b) To establish the Settlement Fund’s internal organization and management;
- (c) To employ, retain or contract with individuals or organizations for their services as qualified managers, specialists, attorneys and other experts;
- (d) To acquire, own, and dispose of real and personal property to the extent permissible under the CNMI Constitution;
- (e) To adopt policies and procedures as necessary for the exercise of the Settlement Fund’s powers, performance of its duties and administration of its operations;
- (f) To provide for the maintenance of a system of accounts and records which will give full effect to the provisions of this Agreement; to adopt all necessary actuarial tables to be used in the operation of the Settlement Fund; and to provide for the compilation of statistical and financial data as required for actuarial valuations, periodic surveys and calculations;
- (g) To obtain information from the Settlement Class Members and the CNMI as necessary for the proper operation of the Settlement Fund;
- (h) To authorize expenditures as necessary to maintain and run the Settlement Fund and to report these expenditures to the District Court;
- (i) To have the accounts of the Settlement Fund audited as of the end of each

fiscal year, and submit an annual report to the District Court as soon as possible following the close of the year, embodying, among other things, a balance sheet showing the financial and actuarial condition of the Settlement Fund, a statement of income and expenditures for the year; a statement showing changes in the assets, liabilities and reserves during the year; a statement of investment owned by the Settlement Fund; and other financial or statistical data as necessary for a proper interpretation of the condition of the Settlement Fund and the result of its operation;

(j) To appoint an Administrator or Acting Administrator (“Administrator”) to be the chief executive officer of the Settlement Fund, and to direct the Administrator to carry out the policy decisions of the Trustee. The administrator shall be appointed by the Trustee with the concurrence of the District Court and shall have the requisite education, experience and background to carry out the duties and responsibilities of the office. The Administrator shall serve at the pleasure of the Trustee and shall have all powers over the Settlement Fund that the administrator had over the CNMI Fund as set forth in 1 CMC § 8316;

(k) To establish policies and appoint hearings officers for the resolution of all disputes between individual Members of the Settlement Fund and the Settlement Fund consistent with due process and a right to a final appeal to an independent arbitrator selected by the Trustee and approved by the District Court, there shall be no further appeal from the decision of the arbitrator;

(l) To petition the District Court for instructions or for a declaration as to the construction of this Agreement or the powers of the Trustee;

(m) To report to the District Court as instructed by the District Court

periodically on the execution of the Trustee's functions, and if necessary to seek authority from the District Court to carry out any additional functions that are in the best interests of the Settlement Fund and not expressly provided for herein;

(n) To cooperate with Class Counsel and to provide information to Class Counsel when reasonably requested; and

(o) To do any and all things necessary to the full and convenient exercise of the above powers.

10.1 The Trustee's Term of Service. The Trustee shall serve as long as necessary to effectuate this Agreement, or until the earliest of:

(a) The Trustee requests to be relieved and such request is approved by the District Court;

(b) Ninety days after the Trustee has submitted a notice of resignation to the District Court; or

(c) The District Court removes and replaces the Trustee by Order for good cause after a hearing.

10.2 The Trustee's Right to Remuneration. The Trustee shall be remunerated for his services from the Settlement Fund in a reasonable amount as approved by the District Court. The CNMI, Class Counsel and Plaintiff shall have the right to timely object to any request by the Trustee for remuneration within ten days of such request or on an annual basis.

10.3 Transition from CNMI Fund to Settlement Fund. The Parties recognize the need to maintain continuity and the practical need to effect a smooth transition of administrative responsibilities from the CNMI Fund to the Settlement Fund while enabling this Agreement to become effective as soon as possible and, if possible, before the start of the 2014 fiscal year.

Consequently, the Parties agree that for the first twelve months following Final Approval, the CNMI Fund may, at the request of the Trustee, second its employees to the Settlement Fund to assist the Trustee in administering the Settlement Fund; and the Settlement Fund shall reimburse the CNMI Fund for the actual costs to employ these seconded employees while seconded.

During any such period of secondment, the seconded employees shall retain their status as employees of the CNMI Fund and all of their legal rights as employees of the CNMI Fund. The Trustee shall reasonably consider any request by any seconded employee for a permanent position with the Settlement Fund before considering other candidates. Nothing in this paragraph shall obligate any employee of the CNMI Fund to accept a position with the Settlement Fund or be seconded to the Settlement Fund if that employee does not desire to do so. Nothing in this paragraph shall prohibit any reduction in work force of the CNMI pursuant to CNMI law.

11.0 Class Counsel and Plaintiff. The Class Counsel or Plaintiff shall have the right and obligation to continue to collectively represent the Settlement Class in the District Court. In addition, Class Counsel, Plaintiff, or the CNMI may seek to remove the Trustee for good cause shown and may petition the District Court for instructions. Class Counsel and the Trustee will cooperate in pursuing enforcement or collection of the Consent Judgment, and if they disagree, either may petition the District Court for instructions. Class Counsel and Plaintiff shall have no obligation to any individual Class Member and Class Counsel and Plaintiff must put the collective interests of the Settlement Class ahead of the individual interest of any individual Class Member or group of Class Members.

11.1 Class Counsel's Term of Service. Any lawyer who is Class Counsel shall serve as long as necessary to effectuate this Agreement, or until the earliest of the following:

- (a) The lawyer requests to be relieved and such request is approved by the



District Court;

(b) The District Court removes and replaces the lawyer as Class Counsel by Order for good cause after a hearing; or

(c) The lawyer becomes ineligible to appear before the District Court.

11.2 Plaintiff's Term of Service as the Class Representative. Any person who is a Class Representative shall serve as long as necessary to effectuate this Agreement, or until the earliest of the following:

(a) The person requests to be relieved and such request is approved by the District Court;

(b) Ninety days after the person has submitted a notice of resignation to the District Court; or

(c) The District Court removes and replaces the person as a Class Representative by Order for good cause after a hearing.

11.3 Class Counsel and a Class Representative's Right to Remuneration after Final Approval. Class Counsel and any Class Representative shall be remunerated for services from the Settlement Fund in a reasonable amount as approved by the District Court for which the Class Counsel or Class Representative has not received remuneration under some other provision of this Agreement. The Trustee and the CNMI shall have the right to oppose or object to any such request for remuneration prior to approval by the District Court.

12.0 Elections to Terminate Membership in the Defined Benefit Plan. Upon Preliminary Approval, the CNMI Fund shall distribute \$10,000,000 to the members who timely filed Elections to Terminate. The Parties understand that this money is to pay for the withdrawal of employee contributions to former members of the CNMI Fund who previously submitted

Elections to Terminate Membership in the Defined Benefit Plan. The Parties further agree that the CNMI has agreed to authorize the CNMI Fund to distribute this money to the members of the Defined Benefit Plan who submit timely Elections to Terminate in full satisfaction of the obligation to distribute the money under this Agreement. The CNMI Fund shall have the right to require that each individual to whom it distributes money under this paragraph signs a waiver and release before receipt of the money. After Final Approval and legislative action by the CNMI approving this Agreement, the CNMI Fund will distribute an additional \$\_\_\_\_\_, for the same purpose and subject to the same agreed directions for direct distribution by the CNMI. The Settlement Fund will have no obligation to members of the CNMI Fund who timely submitted Elections to Terminate Membership in the Defined Benefit Plan before August 6, 2013, and they are not Members of the Settlement Class. It shall not be the responsibility of the CNMI Fund, the Settlement Fund, the Trustee, the TAL, Plaintiff, or Class Counsel to make sure the CNMI uses the money paid to the CNMI under this paragraph to pay any such withdrawals, and they shall not have any liability whatsoever to anyone arising from an election to terminate membership in the CNMI Fund other than making timely payments to the CNMI under this paragraph. Nothing in this paragraph or this Agreement shall be construed as an admission by any Party as to the propriety, validity, legality or constitutionality of Public Laws 17-82 or 18-02. Any term of this provision can be pled as a complete defense to any interim or future litigation against the CNMI Fund, the Settlement Fund, the Trustee, the TAL, Plaintiff, or Class Counsel.

12.1 Minimum Withdrawals under P.L. 17-82 and P.L. 18-02. In the event that persons whose collective benefits total more than eighty percent (80%) or greater of the total Employee Contributions credited to the Member's Contribution Reserve (1 CMC § 8381 (a)) do not timely make an Election to Terminate, this agreement shall be null and void and the Parties shall be

returned to the status quo ante as of June 26, 2013 for all litigation purposes, as if no settlement had been negotiated or entered into; and the CNMI must return any money paid under paragraph 12.0.

13.0 Government Health and Life Insurance. The Settlement Fund, the Trustee, the Plaintiff and Class Counsel shall not be responsible for the provision or administration of health and life insurance to Settlement Class Members and shall not be responsible for the payment of the costs of such insurance. But the CNMI agrees that it will include all Settlement Class Members in the same government health and life insurance plans and with the same benefits as provided to all then current full-time employees of the CNMI. It will be the duty and obligation of the CNMI to pass any legislation necessary to effectuate this paragraph.

14.0 Pending Litigation. The stay entered on May 15, 2013 of the action which originated as Civil Action No. 06-0367 in the Superior Court of the Commonwealth of the Northern Mariana Islands and is now pending in the District Court as Case No. 1:13-CV-00006 shall remain in effect unless this Agreement is rendered void under paragraphs 21.2, 23.0, 26.0, or 27.0 or by agreement of the parties. In the event of Final Approval and exhaustion of any and all appeals of the Final Approval Order, the judgment shall be deemed satisfied and substituted by the Johnson Action comprehensive Consent Judgment incorporating the terms of this Agreement on the express condition that the terms of this Agreement and the Final Approval Order are incorporated into the final judgment in the action. The Autonomous Agencies shall withdraw their motions and requests for any relief in the Johnson Action and any other actions against the CNMI Fund. It will be the responsibility of the CNMI to ensure this is done and the CNMI shall indemnify and hold harmless and defend any claims pending at the time of Final Approval of the Autonomous Agencies against the CNMI Fund, the TAL, the TAL's counsel,

the Settlement Fund, Plaintiff or Class Counsel.

**IV. ATTORNEYS FEES AND COSTS AND SERVICE AWARD TO PLAINTIFF**

15.0 Attorneys Fees and Costs for Work Done before Final Approval. The CNMI agrees to pay the Class Counsel's attorneys fees and costs as approved by the District Court. The CNMI has agreed to pay these fees and costs in addition to and separate from any other money it will pay under the Settlement. The CNMI will have the right to object to the amount of attorney's fees and costs requested by Class Counsel.

The Settlement Class Members shall not have to pay any attorneys fees or costs for any work done by Class Counsel before Final Approval and no part of the money the CNMI has agreed to pay the Settlement Fund for the benefit of the Class Members will be used to pay attorneys fees and costs for work done by Class Counsel before Final Approval.

15.1 Plaintiff's Service Award. Subject to approval by the District Court, the CNMI shall pay the sum of \$7,500 to Plaintiff to compensate her for the time, energy, and risk expended in pursuing this litigation on behalf of the Class Members for the past four years.

16.0 Attorneys Fees and Costs for Enforcement of the Consent Judgment. It is understood and agreed that should enforcement of the Consent Judgment be necessary, Class Counsel will be paid fees on a contingency basis, as approved by the District Court after the CNMI and Trustee have had an opportunity to object, out of funds successfully recovered by Class Counsel for the Settlement Fund.

**V. NOTICE AND REQUESTS FOR EXCLUSION**

17.0 Costs of Notice and Administration. The CNMI shall be responsible for the costs of notice and shall pay these costs to the extent that any of the Costs are paid by the CNMI Fund. To the extent these costs are incurred by Class Counsel the CNMI shall reimburse Class

Counsel as agreed between Class Counsel and the CNMI or, if they cannot agree, as approved by the District Court.

18.0 Notice by Mail. Within two weeks of Preliminary Approval, Class Counsel shall caused to be mailed a notice to every member of the Settlement Class by first class United States Mail postage pre-paid at the Settlement Class Member's last known address as shown in the CNMI Fund's records and produced by the CNMI Fund to Class Counsel. The Notice shall be substantially the form of Exhibit B attached hereto.

19.0 Notice by Publication. In addition to mailing Notice and also within two weeks of Preliminary Approval, the CNMI shall cause the Notice to be published in the Saipan Tribune and the Marianas Variety and posted on their respective websites. The CNMI Fund will also post a copy of the Notice on its website. <http://www.nmiretirement.com>. The CNMI shall have the Notice translated into the Chamorro and Carolinian languages and provide these translations to the CNMI Fund to post on its website.

20.0 Certification to the District Court. No later than five (5) days before the Final Fairness Hearing, Class Counsel shall file with the District Court a declaration verifying that Mailed Notice has been sent, the CNMI Fund shall file with the District Court a declaration verifying that the Publication Notice was posted on its website, and the CNMI shall file with the District Court a declaration verifying that Publication Notice was published in newspapers as provided herein.

21.0 Requests for Exclusion. Persons fitting the definition of Settlement Class Members shall have the right to timely request exclusion from the Class and this right shall be included in the Notices. To be valid, requests for exclusion must be in writing, must clearly identify the person requesting exclusion by including their name, address and date of birth, must

be signed by the person requesting exclusion (or someone with the legal authority to act for the person requesting exclusion with documentation showing such authority), must be on a separate piece of paper from any other person's request for exclusion, and must be delivered to the CNMI Fund on or before 5:00 p.m. on September 20, 2013. The person requesting exclusion must insure actual delivery to the CNMI Fund on or before 5:00 p.m. on September 20, 2013, and it shall not be sufficient to show that the request for exclusion was postmarked, mailed or otherwise sent before that date. No Settlement Class Member, or any person acting on behalf of or in concert or participation with that Settlement Class Member, may exclude any other Settlement Class Member from the Settlement Class. No lawyer or putative class representative may validly request exclusion on behalf of a class, putative class, or group of clients.

21.1 Requests for Exclusion Are Irrevocable. Notwithstanding any other provisions or definitions in this Agreement, any Class Member who timely and validly requests exclusion shall no longer be a Member of the Settlement Class and shall not be entitled to any benefits from the Settlement Fund or have any rights under this Agreement or any judgment or order entered pursuant to this Agreement. Requests for exclusion are irrevocable and no person who requests exclusion may later become a Member of the Settlement Class or have any rights under this Agreement. Class Counsel, the Trustee and the Settlement Fund shall have no duties whatsoever to any person who requests exclusion.

21.2 Maximum Number of Exclusions. In the event that persons whose collective benefits total more than ten percent (10%) or greater of the Full Benefits payable in the fiscal year 2014 who fit the definition of Settlement Class Members timely and validly request exclusion, this agreement shall be null and void; and the CNMI will become obligated to within sixty days of notice of the requisite number of timely and valid requests for exclusion, pay back

to the CNMI Fund any money paid under paragraph 12.0 above to pay refunds of employee contributions to former members of the CNMI Fund who previously submitted Elections to Terminate Membership in the Defined Benefit Plan or be in contempt of the District Court.

21.3 Settlement Class Members Shall Not Receive Lower Future Benefits than Those Requesting Exclusion. If the CNMI, the CNMI Fund, or any Autonomous Agencies pay a percentage of Full Benefit Payments to any person who has timely and validly requested exclusion under paragraph 21.0 above in excess of the percentage of the Full Benefit Payments paid to the Settlement Class Members who did not request exclusion under this Agreement, the CNMI must increase its annual minimum payments as required by paragraphs 4.0-4.3 above to enable the Settlement Fund to provide the Settlement Class Members who did not request exclusion with an equal percentage of Full Benefit Payments. If necessary, the minimum annual payments must be increased to make up for any differences that have previously occurred. This provision is intended to insure that all Settlement Class Members who do not request exclusion shall always receive retirement benefits as defined by 1 CMC § 8301 et seq. (excluding P.L. 17-82 or P.L. 18-02) as those laws existed on August 6, 2013 that are greater than or equal to retirement benefits that the CNMI, the CNMI Fund or any Autonomous Agencies might in the future pay to those members who do request exclusion. Upon request of the Trustee or the Class Counsel, the CNMI shall provide information regarding the amount of benefits the CNMI has paid and is paying to former Settlement Class Members who requested exclusion. In the event the CNMI, the CNMI Fund, or any Autonomous Agencies willfully and intentionally violate this paragraph, the Trustee or Class Counsel may enforce the Consent Judgment after giving the CNMI notice and a reasonable opportunity to cure.

## **VI. PRELIMINARY APPROVAL ORDER AND FINAL FAIRNESS HEARING**

22.0 Preliminary Approval Order. Plaintiff will seek the District Court's approval of this Agreement by filing an appropriate motion for preliminary approval and seeking entry of a Preliminary Approval Order, substantially in the form attached hereto as Exhibit C. The Parties will join in the motion but it is sufficient if they provide their consent to Class Counsel to file the motion on behalf of all parties. The Parties shall cooperate in presenting such papers to the District Court as may be necessary to effectuate the intent and purposes of this Agreement. Among other things, the Preliminary Approval Order shall specifically include the following:

- (a) A determination that, for settlement purposes only, the Johnson Action may be maintained as a class action on behalf of the Settlement Class;
- (b) A finding that the Notice, substantially in the form attached hereto as Exhibit B and as disseminated as provided herein, are the only notice required, and that these notices satisfy the requirements of due process, the Federal Rules of Civil Procedure, and any other applicable laws;
- (c) A preliminary finding that this Agreement is fair, reasonable, adequate and within the range of possible approval;
- (d) A preliminary finding that Plaintiff fairly and adequately represents the interests of the Settlement Class;
- (e) A preliminary finding that Plaintiff's Counsel are adequate to act as Class Counsel for the Settlement Class;
- (f) Scheduling a date for the Final Fairness Hearing, not later than October 1, 2013, to determine whether there exists any reasonable basis why the settlement should not be approved as being fair, reasonable, and adequate, and in the best interests of the Settlement Class and why Judgment should not be entered thereon;



and

- (g) Establishing a procedure for Settlement Class Members to request exclusion and/or object to the proposed settlement and setting deadlines for receipt by the TAL of all requests for exclusion and to file any objections with the District Court -- after which no one shall be allowed to opt out of the Settlement Class or object to the proposed settlement.

23.0 Denial of Preliminary Approval Order. If the District Court fails for any reason to enter the Preliminary Approval Order with all of the contents specified above or to certify the Settlement Class for settlement purposes consistent with the provisions hereof, this Agreement shall be null and void; and the CNMI must, within sixty days of denial by the District Court, return any money paid under paragraph 12.0 above to pay refunds of employee contributions to former members of the CNMI Fund who previously submitted Elections to Terminate Membership in the Defined Benefit Plan or be in contempt of the District Court.

24.0 Objections to Settlement.

- (a) Right to Object: Any Settlement Class Member, who has not previously requested exclusion in accordance with the terms of this Agreement, may appear at the Final Fairness Hearing to argue that the proposed settlement should not be approved or to oppose the application of Class Counsel for an award of attorneys' fees and costs and the incentive award to Plaintiff. If the Settlement Class Member requests exclusion subsequent to filing an objection, the objection shall be moot.

- (b) Deadline: Any such objection must be filed with the District Court by 5:00 p.m. on September 16, 2013. Copies of all objection papers also must be

mailed to each of the following, postmarked by the last day to file the objection:

Class Counsel: Robert Hatch, Bronster Hoshibata, 1003 Bishop Street,  
Honolulu HI 96813, USA

Counsel for the CNMI: Reena Patel, Office of the Attorney General,  
Caller Box 1007, Capital Hill, Saipan, Northern Mariana Islands 96950, USA

The TAL: Joseph C. Razzano, Civile and Tang, PLLC, 330 Hernan  
Cortez Ave., Ste. 200, Hagatna Guam 96910, USA

(c) Content of Objections: All objections must include: (i) the objector's name, address and telephone number; (ii) a sentence confirming, under penalty of perjury, that the objector authorized the objection and that he or she is a Settlement Class Member; (iii) the factual basis and legal grounds for the objection to the settlement; (iv) the identity of witnesses whom they may call to testify at the Final Fairness Hearing; and (v) copies of exhibits they intend to offer into evidence at the Final Fairness Hearing.

## **VII. FINAL APPROVAL OF SETTLEMENT AND OTHER CONDITIONS**

25.0 Final Approval Order. On a date to be set by the District Court no later than October 1, 2013, Plaintiff will move the District Court for an Order granting final approval of this settlement and entering Judgment in this action. The Parties will join in the motion. Specifically, the Final Approval Order, substantially in a form attached hereto as Exhibit A, will:

- (a) Find that the Johnson Action, for purposes of this settlement, may be maintained as a class action on behalf of the Settlement Class;
- (b) Find that Plaintiff fairly and adequately represents the interests of the Settlement Class;

- (c) Find that Class Counsel adequately represents Plaintiff and the Settlement Class;
- (d) Find that the form and manner of the Mailed and Publication Notices satisfied the requirements of due process, the Federal Rules of Civil Procedure, and any other applicable laws;
- (e) Find that the settlement is fair, reasonable and adequate to the Settlement Class and that each Settlement Class Member shall be bound by the settlement;
- (f) Find that the settlement represents a fair resolution of all claims asserted on behalf of the Settlement Class;
- (g) Conclude that this Agreement should be, and is, approved; and
- (h) Retain exclusive jurisdiction, including jurisdiction to enjoin all parties, of all matters relating in any way to the Johnson Action and to the modification, interpretation, administration, implementation, effectuation and enforcement of this Agreement, the settlement, and the Consent Judgment.

26.0 Non-Approval of Settlement. This settlement is conditioned upon final approval without material modification by the District Court. In the event that the settlement is not so approved, any party may elect to return to the status quo ante as of June 26, 2013, for all litigation purposes, as if no settlement had been negotiated or entered into; and the CNMI must return any money paid under paragraph 12.0 above to pay refunds of employee contributions to former members of the CNMI Fund who previously submitted Elections to Terminate Membership in the Defined Benefit Plan within sixty days of such disapproval.

27.0 Reversal of Approval on Appeal. In the event that the settlement is approved without material modification by the District Court, but is later finally reversed or vacated on

appeal with no further right to appeal, any Party shall have the right to withdraw from the settlement and return to the status quo ante as of June 26, 2013, for all litigation purposes, as if no settlement had been negotiated or entered into, and the CNMI must return any money paid under paragraph 12.0 above. Specifically, the Parties shall be deemed to have preserved all of their rights or defenses as of June 26, 2013, and shall not be deemed to have waived any substantive or procedural rights of any kind that they may have as to each other or to members of the proposed Settlement Class. Plaintiff's Counsel, however, shall not have the right to withdraw from the settlement if the District Court fails to approve, or materially modifies or reduces, the amounts sought in their application for attorneys' fees and costs and Plaintiffs' incentive award.

28.0 Jurisdiction. The Parties agree to consent to the exclusive and continuing jurisdiction of the District Court over the Johnson Action and any related litigation and to the Districts Court's exclusive jurisdiction to enforce and interpret any provision of this agreement and to enjoin any person or entity from pursuing any action that is inconsistent with this Agreement or the exclusive jurisdiction of the District Court over this Agreement or the Johnson Action. The Parties, by consenting to the jurisdiction of the District Court, do not waive their right to appeal any order of the District Court as otherwise allowed by federal law, except an order allowing enforcement of the Consent Judgment as provided in paragraph 6.0 above. Nothing in this section shall be construed to diminish the Parties' rights to challenge jurisdiction in the event this Agreement is not Finally Approved or is reversed on final appeal.

29.0 Releases. Subject to paragraph 7.0 above and except for all obligations contained, created, or referred to by this Agreement and any actions to enforce this Agreement or the Consent Judgment, the Parties agree to release claims as follows:

(a) ELOY S. INOS, Governor of the CNMI, the NORTHERN MARIANA ISLANDS RETIREMENT FUND BOARD OF TRUSTEES; the CNMI DEPARTMENT OF FINANCE; ADELINA C. ROBERTO, CNMI Fund Trustee and Vice Chairwoman; NACRINA BARCINAS, CNMI Fund Trustee; RICHARD S. VILLAGOMEZ, CNMI Fund Administrator; and LARRISA LARSON, Secretary of Finance shall be released only in their individual capacities from any and all claims, known and unknown, held by Plaintiff, the Settlement Class and the CNMI Fund. This Agreement does not constitute evidence of, or any admission of, any liability, omission or wrongdoing of any kind, and it shall not be offered or received into evidence or otherwise filed or logged in any proceeding against the individuals named in this paragraph except as may be necessary to prove and enforce its terms, Trustees Adelina C. Roberto and Nacrina A. Barcinas, Administrator Richard Villagomez, Eloy S. Inos, and Larissa Larson specifically deny the allegations in the Johnson action and any liability for any claims made by Ms. Johnson and the Settlement Class;

(b) The Plaintiff, the Settlement Class and the CNMI Fund for themselves and their legal successors and assigns, members subsidiaries, affiliates, officers, directors, attorneys, agents, and employees which they have or may have, do hereby absolutely fully, and forever release, relieve, waive, relinquish and discharge the CNMI, its instrumentalities and agencies and the Autonomous Agencies, and their legal successors and assigns, members, officers, directors, agents, attorneys, shareholders parents, affiliates, subsidiaries, and employees and each of them, as applicable of and from any and all manner of action or actions, cause or causes of action, suits, debts, liabilities, demands, obligations costs, expenses, sums of money controversies, damages, accounts,

reckonings, and liens of every kind or nature whatsoever, whether known or unknown, suspected or unsuspected which Plaintiff, the Settlement Class or the CNMI Fund asserted or could have asserted in the Johnson Action prior to the date of Final Approval, including but not limited to any matter, cause or thing involved with or relating to or based upon any transactions or occurrences alleged in the Complaint and Cross Complaints; notwithstanding anything contained in this paragraph 29.0 or this subparagraph (b), any claims of the CNMI Fund against the Commonwealth Utility Corporation existing as of the date of Final Approval are not released and are Assets of the CNMI Fund under this Agreement;

(c) The CNMI, the CNMI Fund, the Autonomous Agencies themselves and their legal successors and assigns, members subsidiaries, affiliates, officers, directors, attorneys, agents, and employees which they have or may have, do hereby absolutely fully, and forever release, relieve, waive, relinquish and discharge the Plaintiff, Settlement Class, and Class Counsel, their instrumentalities and agencies, and their legal successors and assigns, members, officers, directors, agents, attorneys, shareholders parents, affiliates, subsidiaries, and employees and each of them, as applicable of and from any and all manner of action or actions, cause or causes of action, suits, debts, liabilities, demands, obligations costs, expenses, sums of money controversies, damages, accounts, reckonings, and liens of every kind or nature whatsoever, whether known or unknown, suspected or unsuspected which the CNMI, the CNMI Fund, or any Autonomous Agencies have asserted or could have asserted in the Johnson Action prior to the date this Agreement is Finally Approved. The CNMI and its Autonomous Agencies agree for the foregoing consideration to defend, indemnify and hold harmless the

Plaintiff, Settlement Class, and Class Counsel and their agents and successors from any and all claims, liens, demands or actions, cross-claims and third-party claims released in this subparagraph (c). This Agreement does not constitute evidence of, or any admission of, any liability, omission or wrongdoing of any kind, and it shall not be offered or received into evidence or otherwise filed or logged in any proceeding against any party except as may be necessary to prove and enforce its terms;

(d) Each Party agrees and shall cause its Representatives to forever refrain and forbear from commencing, instituting, or participating either as a named or unnamed party in any lawsuit, action, administrative proceeding, complaint, charge or other proceeding against the other Party or its Representatives whether brought by such a Party, or by others on its behalf, or by any government authority based on, concerning and/or arising out of any dispute or related claim released by this paragraph 29.0; and

(e) The Parties acknowledge that payments under this Agreement and other consideration given in connection with this Agreement and Release are the result of a compromise and settlement of disputed claims, and shall never at any time or for any purpose be considered an admission of liability or responsibility on the part of any of the parties herein released except to the extent the Consent Judgment may be enforced pursuant to the terms of this Agreement.

Nothing in subparagraphs (a) through (e) shall be construed to release any obligations contained, created, or referred to by this Agreement outside paragraph 29.0 of this Agreement, or any rights or actions to enforce this Agreement or the Consent Judgment, or to impair or diminish any rights preserved under paragraph 7.0 above.

29.1 Release of the TAL. Plaintiff, the Settlement Class, the CNMI Fund, the CNMI and the Autonomous Agencies, their agents, successors, and assigns hereby forever release and discharge the TAL in his/her/its official and individual capacities and any and all of his agents, successors, heirs, executors, administrator, attorneys, and assigns from any and all claims, injuries, demands, causes of action, liabilities, legal claims, expenses, whether known or unknown, suspected or unsuspected or hereafter discovered, whether in law or equity upon contract, tort or constitutional tort, or under state or federal law or laws, or under common law or otherwise, which Plaintiff, the Settlement Class, the CNMI, or the Autonomous Agencies brought or could have brought in the Johnson action or related actions, or arising out of this Settlement Agreement. The CNMI and its Autonomous Agencies agree for the foregoing consideration to defend, indemnify and hold harmless the TAL and his agents, attorneys, and successors from any and all claims, liens, demands or actions, cross-claims and third-party claims related in any manner to the Johnson Action or this Agreement, that may have or may be hereafter at any time made, or brought against the TAL by any party claims or interest hereto.

29.2 Discharge of the TAL. The TAL and its Professionals shall be discharged by the District Court and released by the Court from any further duties, claims and obligations under the Court's previous September 14, 2012 Order of appointment. The Parties shall join, stipulate and approve the application for discharge confirming that the TAL and its Professionals are released from any and all liability and claims arising from or related to any action taken by the TAL during the course of its appointment. The Parties stipulate to the Order of Discharge in the form attached as Exhibit E attached.

30.0 Term and Termination.



(a) Term. The term of this Agreement shall begin upon Final Approval and shall end when there are no longer any living settlement Class Members. Any party may, make a motion with the District Court to seek a determination that all obligations under this Agreement have been met. Upon a determination by the District Court that all obligations under this Agreement have been met in full, any assets remaining in the Settlement Fund, after the reasonable expenses are paid, shall be transferred to the CNMI and all Parties shall be released in full, and all leases of the Settlement Fund shall revert to the CNMI.

(b) Failure to Reach Preliminary Approval or Final Approval. If for any reason, this Agreement does not receive Preliminary Approval or Final Approval from the District Court, any party may elect to return to the status quo ante as of June 26, 2013, for all litigation purposes, as if no settlement had been negotiated or entered into; and Plaintiff or Class Counsel shall have the right, to the extent such a right exists prior to the execution of this Agreement, to seek to invalidate P.L. 17-82 and P.L. 18-02 in District Court. Specifically the Parties shall be deemed to have preserved all of their rights or defense as of June 26, 2013, and shall not deemed to have waived any substantive or procedural rights of any kind that they may have as to each other or to members of the proposed Settlement Class. Plaintiffs' Counsel, however, shall not have the right to withdraw from the settlement if the District Court fails to approve, or materially modifies or reduces, the amounts sought in their application for attorneys' fees and costs and Plaintiff's incentive award.

#### **VIII. GENERAL CONDITIONS**

31.0 Entire Agreement. This Agreement constitutes the entire agreement between and among the Parties with respect to the settlement of the Johnson Action. This Agreement supersedes all prior negotiations and agreements, including, without limitation, any previous

statements about the tentative agreement made on June 26, 2013 by any of the parties or their representatives. The Parties, and each of them, represent and warrant that no other party or any agent or attorney of any other party has made any promise, representation or warranty whatsoever not contained in this Agreement and the other documents referred to in this Agreement to induce them to execute the same. The Parties, and each of them, represent and warrant that they have not executed this instrument or the other documents in reliance on any promise, representation or warranty not contained in this Agreement and the other documents referred to in this Agreement.

32.0 Successors and Assigns. The terms of this Agreement shall apply to the Parties as well as their heirs, successors and assigns.

33.0 Competency of Parties. The Parties, and each of them, acknowledge, warrant, represent and agree that in executing and delivering this Agreement, they do so freely, knowingly and voluntarily, that they had an opportunity to and did discuss its terms and their implications with legal counsel, that they are fully aware of the contents and effect of the Agreement and that such execution and delivery is not the result of any fraud, duress, mistake or undue influence whatsoever.

34.0 Authority. The person signing this Agreement on behalf of the CNMI warrants and represents that he or she is authorized to sign on CNMI's behalf. No more than \$10,000,000 shall be paid under paragraph 12.0 above until the Legislature takes legislative action approving the CNMI's minimum annual payment obligations under this Agreement.

35.0 Modification. No modification of or amendment to this Agreement shall be valid unless it is in writing and signed by all Parties hereto or agreed to on the record in open court and approved by the District Court.

36.0 Construction. Each of the Parties has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any of the Parties. Before declaring any provision of this Agreement invalid, the District Court shall first attempt to construe the provision valid to the fullest extent possible consistent with applicable precedent so as to find all provisions of this Agreement valid and enforceable. After applying this rule of construction and still finding a provision invalid, the District Court shall thereupon interpret the invalid provision to the fullest extent possible to otherwise enforce the invalid provision. The invalidity of any one provision shall not render this Agreement otherwise invalid and unenforceable unless the provision found to be invalid materially affects the terms of this Agreement after application of the rules of construction set forth in this paragraph.

37.0 No Waiver. The failure of any Party to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, or any other provision, nor in any way to affect the validity of this Agreement or any part hereof, or the right of any party thereafter to enforce that provision or each and every other provision. No waiver of any breach of this Agreement shall constitute or be deemed a waiver of any other breach.

38.0 Governing Law. This Agreement shall be governed by, construed and enforced as an Order and Judgment of the District Court in accordance with general principals of contract law construction in the United States and shall not be construed as controlled by the laws, case law, statutes, or regulations of any particular State or territory of the United States.

38.1 CNMI Laws. To the extent that there is any conflict between any provision in this agreement and any CNMI case law, public law, or regulation, the parties agree that this Agreement shall control.

39 .0 Counterparts. This Agreement may be executed in one or more counterparts and, if so executed, the various counterparts shall be and constitute one instrument for all purposes and shall be binding on the party that executed it, provided, however, that no party shall be bound unless and until all Parties have executed this Agreement. For convenience, the several signature pages may be collected and annexed to one or more documents to form a complete counterpart. Photocopies of executed copies of this Agreement may be treated as originals.

DATED: 8/5, 2013

Betty Johnson  
BETTY JOHNSON, individually and as  
representative of the Settlement Class

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
ELOY S. INOS as Governor of the  
Commonwealth of the Northern Mariana  
Islands, for the CNMI, the CNMI  
Government, and the CNMI Finance  
Department.

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
JOEY P. SAN NICOLAS, Attorney General  
of the Commonwealth of the Northern  
Mariana Islands

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
JOSEPH C. RAZZANO as the principal  
representative of Civile and Tang, PLLC  
the Court appointed Trustee Ad Litem of the  
Northern Mariana Islands Retirement Fund

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
RICHARD S. VILLAGOMEZ, CNMI Fund  
Administrator

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
ADELINA C. ROBERTO, CNMI Fund  
Trustee and Vice Chairwoman

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
NACRINA BARCINAS, CNMI Fund  
Trustee

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
LARRISA LARSON, Secretary of the  
CNMI Finance Department

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
DR. SHARON Y. HART for the Northern  
Marianas College as its President

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
ESTHER MUNA for the Commonwealth

DATED: \_\_\_\_\_, 2013

DATED: 8/4/\_\_\_\_\_, 2013

DATED: \_\_\_\_\_, 2013

DATED: \_\_\_\_\_, 2013

DATED: \_\_\_\_\_, 2013

DATED: \_\_\_\_\_, 2013

DATED: \_\_\_\_\_, 2013

DATED: \_\_\_\_\_, 2013

DATED: \_\_\_\_\_, 2013

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
BETTY JOHNSON, individually and as  
representative of the Settlement Class

\_\_\_\_\_  
ELOY S. INOS as Governor of the  
Commonwealth of the Northern Mariana  
Islands, for the CNMI, the CNMI  
Government, and the CNMI Finance  
Department.

\_\_\_\_\_  
JOEY P. SAN NICOLAS, Attorney General  
of the Commonwealth of the Northern  
Mariana Islands

\_\_\_\_\_  
JOSEPH C. RAZZANO as the principal  
representative of Civile and Tang, PLLC  
the Court appointed Trustee Ad Litem of the  
Northern Mariana Islands Retirement Fund

\_\_\_\_\_  
RICHARD S. VILLAGOMEZ, CNMI Fund  
Administrator

\_\_\_\_\_  
ADELINA C. ROBERTO, CNMI Fund  
Trustee and Vice Chairwoman

\_\_\_\_\_  
NACRINA BARCINAS, CNMI Fund  
Trustee

\_\_\_\_\_  
LARRISA LARSON, Secretary of the  
CNMI Finance Department

\_\_\_\_\_  
DR. SHARON Y. HART for the Northern  
Marianas College as its President

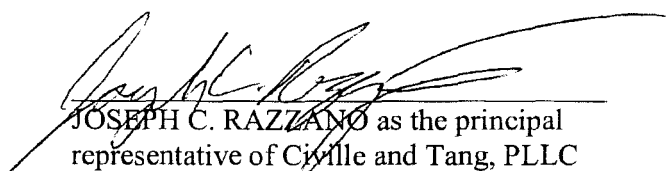
DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
BETTY JOHNSON, individually and as  
representative of the Settlement Class

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
ELOY S. INOS as Governor of the  
Commonwealth of the Northern Mariana  
Islands, for the CNMI, the CNMI  
Government, and the CNMI Finance  
Department.

DATED: 8/5 \_\_\_\_\_, 2013

  
\_\_\_\_\_  
JOSEPH C. RAZZANO as the principal  
representative of Civile and Tang, PLLC  
the Court appointed Trustee Ad Litem of the  
Northern Mariana Islands Retirement Fund

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
RICHARD S. VILLAGOMEZ, CNMI Fund  
Administrator

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
ADELINA C. ROBERTO, CNMI Fund  
Trustee and Vice Chairwoman

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
NACRINA BARINAS, CNMI Fund Trustee

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
LARISSA LARSON, Acting Secretary of  
the CNMI Finance Department

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
DR. SHARON Y. HART for the Northern  
Marianas College as its President

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
CONNIE D. SMITH for the Commonwealth  
Healthcare Corporation as its President and  
CEO


DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
BETTY JOHNSON, individually and as  
representative of the Settlement Class

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
ELOY S. INOS as Governor of the  
Commonwealth of the Northern Mariana  
Islands, for the CNMI, the CNMI  
Government, and the CNMI Finance  
Department.

DATED: 8/6, 2013

  
\_\_\_\_\_  
JOEY P. SAN NICOLAS, Attorney General  
of the Commonwealth of the Northern  
Mariana Islands

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
JOSEPH C. RAZZANO as the principal  
representative of Civile and Tang, PLLC  
the Court appointed Trustee Ad Litem of the  
Northern Mariana Islands Retirement Fund

DATED: 8/6, 2013

  
\_\_\_\_\_  
RICHARD S. VILLAGOMEZ, CNMI Fund  
Administrator *Former*


DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
ADELINA C. ROBERTO, CNMI Fund  
Trustee and Vice Chairwoman

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
NACRINA BARCINAS, CNMI Fund  
Trustee

DATED: \_\_\_\_\_, 2013

  
\_\_\_\_\_  
LARRISA LARSON, Secretary of the  
CNMI Finance Department

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
DR. SHARON Y. HART for the Northern  
Marianas College as its President



DATED: \_\_\_\_\_, 2013

BETTY JOHNSON, individually and as  
representative of the Settlement Class

DATED: \_\_\_\_\_, 2013

ELOY S. INOS as Governor of the  
Commonwealth of the Northern Mariana  
Islands, for the CNMI, the CNMI  
Government, and the CNMI Finance  
Department.

DATED: \_\_\_\_\_, 2013

JOEY P. SAN NICOLAS, Attorney General  
of the Commonwealth of the Northern  
Mariana Islands

DATED: \_\_\_\_\_, 2013

JOSEPH C. RAZZANO as the principal  
representative of Civile and Tang, PLLC  
the Court appointed Trustee Ad Litem of the  
Northern Mariana Islands Retirement Fund

DATED: \_\_\_\_\_, 2013

RICHARD S. VILLAGOMEZ, CNMI Fund  
Administrator

DATED: \_\_\_\_\_, 2013

ADELINA C. ROBERTO, CNMI Fund  
Trustee and Vice Chairwoman

DATED: 08/05, 2013

NACRINA BARCINAS, CNMI Fund  
Trustee

DATED: \_\_\_\_\_, 2013

LARRISA LARSON, Secretary of the  
CNMI Finance Department

DATED: \_\_\_\_\_, 2013

DR. SHARON Y. HART for the Northern  
Marianas College as its President

DATED: 08/05, 2013

ESTHER MUNA for the Commonwealth

DATED: \_\_\_\_\_, 2013

BETTY JOHNSON, individually and as  
representative of the Settlement Class

DATED: \_\_\_\_\_, 2013

ELOY S. INOS as Governor of the  
Commonwealth of the Northern Mariana  
Islands, for the CNMI, the CNMI  
Government, and the CNMI Finance  
Department.

DATED: \_\_\_\_\_, 2013

JOEY P. SAN NICOLAS, Attorney General  
of the Commonwealth of the Northern  
Mariana Islands

DATED: \_\_\_\_\_, 2013

JOSEPH C. RAZZANO as the principal  
representative of Civile and Tang, PLLC  
the Court appointed Trustee Ad Litem of the  
Northern Mariana Islands Retirement Fund

DATED: \_\_\_\_\_, 2013

RICHARD S. VILLAGOMEZ, CNMI Fund  
Administrator

DATED: 8/5/ \_\_\_\_\_, 2013

  
ADELINA C. ROBERTO, CNMI Fund  
Trustee and Vice Chairwoman

DATED: \_\_\_\_\_, 2013

NACRINA BARCINAS, CNMI Fund  
Trustee

DATED: \_\_\_\_\_, 2013

LARRISA LARSON, Secretary of the  
CNMI Finance Department

DATED: \_\_\_\_\_, 2013

DR. SHARON Y. HART for the Northern  
Marianas College as its President

DATED: \_\_\_\_\_, 2013

ESTHER MUNA for the Commonwealth

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
BETTY JOHNSON, individually and as  
representative of the Settlement Class

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
ELOY S. INOS as Governor of the  
Commonwealth of the Northern Mariana  
Islands, for the CNMI, the CNMI  
Government, and the CNMI Finance  
Department.

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
JOEY P. SAN NICOLAS, Attorney General  
of the Commonwealth of the Northern  
Mariana Islands

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
JOSEPH C. RAZZANO as the principal  
representative of Civile and Tang, PLLC  
the Court appointed Trustee Ad Litem of the  
Northern Mariana Islands Retirement Fund

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
RICHARD S. VILLAGOMEZ, CNMI Fund  
Administrator

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
ADELINA C. ROBERTO, CNMI Fund  
Trustee and Vice Chairwoman

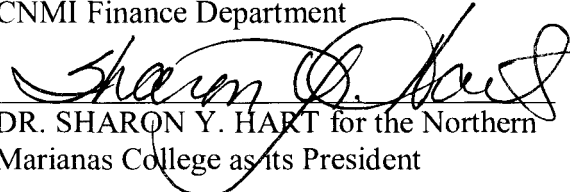
DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
NACRINA BARCINAS, CNMI Fund  
Trustee

DATED: \_\_\_\_\_, 2013

\_\_\_\_\_  
LARRISA LARSON, Secretary of the  
CNMI Finance Department

DATED: August 6, 2013

  
\_\_\_\_\_  
DR. SHARON Y. HART for the Northern  
Marianas College as its President

DATED: \_\_\_\_\_, 2013

DATED: 8/6/, 2013

Healthcare Corporation as its Acting CEO

Herman T. Guerro  
~~CHAIRMAN~~ for the Northern ~~OF CNMI STATE~~  
~~Marianas Public School System as its~~ **BOARD OF EDUCATION**  
Herman T. Guerro

Approved as to form and content:

DATED: August 6, 2013

Margery S. Bronstad  
 Margery S. Bronstad, attorney for Plaintiff  
 BETTY JOHNSON, individually and on  
 behalf of the Settlement Class

DATED: August 6, 2013

Robert M. Hatch  
 Robert M. Hatch, attorney for Plaintiff  
 BETTY JOHNSON, individually and on  
 behalf of the Settlement Class

DATED: August 6, 2013

Bruce Jorgensen  
 Bruce Jorgensen, attorney for BETTY  
 JOHNSON, individually and on behalf of  
 the Settlement Class

DATED: August 6, 2013

Stephen Woodruff  
 Stephen Woodruff, attorney for BETTY  
 JOHNSON, individually and on behalf of  
 the Settlement Class