

Translations of this Notice in the Chamorro and Carolinian languages are available at <http://www.nmiretirement.com>.

If you have any questions about this notice please contact Class Counsel, Bronster Hoshibata at:

1-855-494-3805 (toll free) (available from August 23, 2013) or 1-808-524-5644

NOTICE OF CLASS ACTION SETTLEMENT

You are receiving this Notice because you may be a member of the Northern Mariana Retirement Fund Defined Benefit Plan ("NMIRF"). Plaintiff Betty Johnson has sued the Commonwealth of the Northern Mariana on behalf a proposed class of members ("Class Members") in the United States District Court for the Northern Mariana Islands (the "Court"). Plaintiff alleges the CNMI has failed to pay the amounts that it was required by law to pay to the NMIRF since 2005. As a result, the NMIRF will run out of money as soon as June 2014 and will no longer be able to pay you any retirement benefits.

Plaintiff has agreed to a proposed settlement with the CNMI and other Defendants including 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 BARINAS, CNMI Fund Trustee; RICHARD S. VILLAGOMEZ, CNMI Fund Administrator; LARISSA LARSON, Secretary of the CNMI DEPARTMENT OF FINANCE; COMMONWEALTH HEALTHCARE CORPORATION ("CHC"); PUBLIC SCHOOL SYSTEM ("PSS"); the NORTHERN MARIANAS COLLEGE ("NMC") and the NMIRF subject to preliminary and final approval . The settlement will make sure Class Members will continue to receive at least 75% of their benefits in the future subject to some risks described below. The CNMI has agreed as part of the Settlement that in the future it will not pay any retirees who opt-out of this Settlement a higher percentage of their benefits than the Settlement will provide to those retirees who are in the Settlement, so there is no reason to expect to get more retirement benefits in the future by opting out.

The Settlement will also enable the CNMI to pay approximately \$52 million in contributions to current government employees who have requested them. Such refunds will be paid to members who have requested or elected to withdraw from the Defined Benefit Plan in two stages. The first stage will be paid pro-rata from a \$10,000,000 sum set aside by the NMIRF and the second stage of the remaining balance due to the withdrawing members will be paid, but after entry of Order of Final Approval of the Settlement and legislative action approving the Settlement Agreement, but before the Settlement Fund is created. The total assets of the NMIRF remaining after the first and second payments will then be paid over in their entirety to a Settlement Fund being created by this Settlement, which will not be reduced. The Settlement Fund created with assets

from the NMIRF will have no obligation to make any payments to members electing to withdraw from the Defined Benefit Plan. If the Settlement is not approved, the NMIRF will run out of money about June 2014 and be unable to continue to make any benefit payments, and the Plaintiff will contest the legality of the refunds in the Court, so they will be delayed or cancelled.

The Court authorized this notice and will hold a hearing on September 30, 2013 to determine whether the settlement is fair, reasonable and adequate. Class Members will be bound by the settlement unless they exclude themselves.

WHO IS INCLUDED?

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.

WHAT IS THE LAWSUIT ABOUT?

The lawsuit alleges that since 2005, the CNMI has failed to make the contributions it was required by law to make to the NMIRF and, therefore, the NMIRF does not have enough money to pay Class Members their constitutionally guaranteed benefits.

WHAT DOES THE SETTLEMENT PROVIDE THE CLASS MEMBERS?

If approved, the settlement will create a Settlement Fund under the control of the Court into which all assets of the NMIRF Defined Benefit Plan will be paid and to which the CNMI will be required to make annual payments sufficient to enable the Settlement Fund to pay Class Members at least 75% of their benefits subject to the risks described herein. If the CNMI fails to make its annual payments, the Court may enforce a Consent Judgment for the full amount of money the CNMI owes the Class Members. The Consent Judgment will be about \$779,000,000. The CNMI has agreed to pay Class Counsel's attorneys fees and costs to the date of Final Approval in addition to its annual payments and Class Members benefits will not be reduced to pay Class Counsel for their work prior to Final Approval. If the Consent Judgment must be enforced, legal fees and costs will be incurred to enforce it, but these will only be collected out of money recovered enforcing it as approved by the Court. If the CNMI fails to make its minimum annual payments there may be delays or reductions in benefits paid to Settlement Class Members.

WHAT ELSE DOES THE SETTLEMENT PROVIDE?

The Settlement also provides that the NMIRF will pay approximately \$52,000,000. First, the NMIRF will pay \$10,000,000 after entry of Preliminary Approval. Next the NMIRF will pay approximately \$42,000,000 after Final Approval. This money will be used to pay refunds of contributions to current government employees who have requested to leave the NMIRF. If the Settlement does not happen, Plaintiff will challenge the legality of refund payments in the Court and they will be delayed or never happen.

WHAT ARE YOUR OTHER OPTIONS?

If you do not want to be legally bound by the settlement, you must opt out by September 20, 2013. If you opt out, you cannot get relief from this settlement. And if more than 10% of the Settlement Class Members opt out, the Settlement will be cancelled and benefits payments will stop as soon as June 2014 and refunds will be delayed or cancelled.

If you opt out of the Settlement Class by making a timely and valid request for exclusion, you will never be allowed to make a claim to benefits from the Settlement Fund, or any claim against the Trustee of the Settlement Fund, his attorneys, the professionals of the Fund and the Fund's agents and employees. If you try to file such a claim you may be held in contempt of court and required to pay legal fees. By virtue of this settlement, approximately \$100 Million of the NMIRF assets are being paid to the Settlement Fund for the sole and exclusive benefit of the Settlement Class Members. If you opt out and elect not to be a Settlement Class Member, then you will not be entitled to any payment from the Settlement Fund, and by virtue of the Orders of the Federal District Court, you will be precluded from forever making any claim against it, the Settlement Class Members or the Trustee. Your sole recourse and remedy will be against the CNMI Government. You should consult counsel before making any decision to opt out so that you can assess the benefits that you are renouncing by doing so.

If you are a member of the Settlement Class, any further employee or employer contributions which are required to be made will be made to the Settlement Fund. If you opt out of the Class, any further employee or employer contribution will be treated as determined by the CNMI Government, not the Settlement Fund. To opt out, you must deliver a written notice of your desire to opt-out. The notice must clearly identify you by including your name, address and date of birth, and your original signature. The Notice must be delivered on or before 5:00 p.m. on September 20, 2013 to the Trustee Ad Litem for the Northern Mariana Islands Retirement Fund at:

NMIRF
P.O. Box 501247
Saipan, MP 96910

You must insure actual delivery to the NMIRF on or before 5:00 p.m. on September 20, 2013, and it shall not be sufficient to show that your request for exclusion was postmarked, mailed or otherwise sent before that date.

YOUR RIGHT TO OBJECT

If you remain a Settlement Class Member and you do not opt out, and if you wish to take advantage of the benefits attendant to participating in the Settlement Class, but believe that the settlement negotiated by the Parties is unfair or otherwise objectionable, and wish to object to the Settlement negotiated by the Parties, you have a right to object to the settlement, but you must do so in writing before September 16, 2013, by filing your objection with the Clerk of Court, United

States District Court for the Northern Mariana Islands, 2nd Floor, Horiguchi Building, 123 Kopa Di Oru Street, Beach Road, Garapan, Saipan, MP 96950. You must also mail your objection to:

Class Counsel
Bronster Hoshibata
1003 Bishop Street, Suite 2300
Honolulu HI 96813 USA

Counsel for the CNMI
Office of the Attorney General
Caller Box 10007
Capital Hill, Saipan
Northern Mariana Islands 96950

Trustee Ad Litem of the NMIRF
Joseph C. Razzano
Civille and Tang, PLLC
330 Hernan Cortez Ave., Ste. 200
Hagatna Guam 96910

You also have the right to appear in person or by counsel at the Settlement and Fairness Hearing scheduled on September 30, 2013, at which time the Court will determine the fairness of the Settlement. You need not file a written Objection in order to appear and object. Your Objection will be heard by the Court and ruled upon. If the Court denies your Objection, you have the right to an appeal. If your Objection is denied and that denial is affirmed on appeal, you will remain a Settlement Class Member and be bound by all the terms of the Settlement.

THE FAIRNESS HEARING.

The Court will hold a hearing to consider whether to approve the settlement. The hearing will take place at 9:00 a.m. on September 30, 2013 in the United States District Court for the Northern Mariana Islands, First Floor, Horiguchi Building, 123 Kopa Di Oru Street, Beach Road, Garapan, Saipan, MP 96950. You may appear at the hearing, but you do not have to.

RISKS

The CNMI has agreed as part of the Settlement that in the future it will not pay any retirees who opt-out of this Settlement a higher percentage of their benefits than the Settlement will provide to those retirees who are in the Settlement, so there is no reason to expect to get more retirement benefits in the future by opting out.

While it is anticipated that this Settlement which will consist of a transfer of assets from the NMIRF and payments by the CNMI of contributions, so that members will receive at least 75% of their benefits in the future, there are two risks which may affect the anticipated benefits.

First, market or market conditions may deteriorate and compromise the body of the assets being

transferred to the Settlement Fund by the NMIRF, or the anticipated earnings thereon, thus affecting anticipated benefits. For example, a depression or recession may result in losses to the Settlement Fund. There are other unanticipated and presently unknowable risks which may develop in the future which may also result in the assets of the Settlement Fund being lost or compromised. Second, a risk exists that your Settlement benefits may not be timely paid or paid in full in the event that the CNMI Government fails to satisfy its defined schedule of payment obligations and Class Counsel must enforce the Consent Judgment in order to compel the Government to pay. Finally, Settlement Class Members who later seek a refund of contributions from the Settlement Fund will only be entitled to 75% refund benefit.

DEADLINES

Date	Event
August 20, 2013	Mailing and Publication of Notice
September 10, 2013	Plaintiff Will File Motions for Approval of Attorney Fees and Costs and for a Service Payment to Plaintiff
September 16, 2013	Deadline to File Objections
September 20, 2013	Requests for Exclusion Must be Delivered to the CNMI Fund
September 20, 2013	CNMI Will File a Response to Plaintiff's Motion for Approval of Attorney Fees and Costs
September 25, 2013	Motion for Final Approval to be Filed by Class Counsel
September 27, 2013	Plaintiff Will File Reply in Support of Motion for Approval of Attorney Fees and Costs and for a Service Payment to Plaintiff
September 30, 2013	Hearing on Motion for Final Approval and Motion for Attorneys Fees, Costs and Incentive Award

HOW DO I LEARN MORE?

The formal Stipulation and Agreement of Settlement ("Agreement"), available at <http://www.nmiretirement.com> describes all of the details about the proposed settlement. **This notice is only a summary of the settlement terms. If there is any conflict between this**

notice and the terms of the Agreement, the Agreement will control. The Agreement and other case documents may also be reviewed at the Office of the Clerk, located at United States District Court for the Northern Mariana Islands, 2nd Floor, Horiguchi Building, 123 Kopa Di Oru Street, Beach Road, Garapan, Saipan, MP 96950.

IF YOU DO NOTHING YOU WILL BE INCLUDED IN THE SETTLEMENT AND YOU WILL BE ENTITLED TO 75% OF YOUR BENEFITS TO BE PAID IN THE FUTURE SUBJECT TO THE RISKS DESCRIBED ABOVE.

IF YOU OPT OUT OF THE SETTLEMENT YOU WILL RECEIVE NOTHING UNDER THIS SETTLEMENT AND CLASS COUNSEL WILL NOT REPRESENT YOU. YOU MAY ASSERT YOUR RIGHTS TO TRY TO MAKE THE CNMI PAY YOUR BENEFITS BUT YOU WILL HAVE TO HIRE YOUR OWN LAWYER AT YOUR OWN EXPENSE IF YOU WANT A LAWYER TO REPRESENT YOU.