

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION**

Jerry Williams and Larry Whitehead,)	
Individually and on Behalf of All Others)	
Similarly Situated; and Stewart F. Cooke, III,)	
as Special Representative of the Estate of)	
Stewart Cooke,)	
)	
Plaintiffs,)	
)	Case No. 11-CH-15446
v.)	Calendar 9
)	
Retirement Plan for Chicago)	
Transit Authority Employees;)	Hon. Cecilia A. Horan
Board of Trustees of the)	
Retirement Plan for Chicago)	
Transit Authority Employees;)	
Retiree Health Care Trust; and)	
Board of Trustees of the)	
Retiree Health Care Trust,)	
)	
Defendants.)	

CLASS ACTION SETTLEMENT AGREEMENT

This Class Action Settlement Agreement (“Agreement”) is made by and between the following Settling Parties:¹

- A. Jerry Williams (“Williams”), individually and on behalf of each of the Class Members.
- B. Larry Whitehead (“Whitehead”), individually and on behalf of each of the Class Members.
 - i. Williams and Whitehead are each a “Class Representative” and are collectively referred to as the “Class Representatives.”
- C. Stewart F. Cooke, III (“Cooke III”), as Special Representative of the Estate of Stewart Cooke (“Cooke”).²

¹ Capitalized terms not otherwise defined herein are used as defined in Section II(1) below.

² Cooke III is not a Class Representative and is not entering into this Agreement on behalf of any other Class Members.

- i. Cooke, who is deceased, was formerly a plaintiff and class representative. Williams, Whitehead, Cooke, and Cooke III are collectively referred to as “Plaintiffs,” depending on the context.
- D. The Retirement Plan for Chicago Transit Authority Employees (“Plan”).
- E. The Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees (“Plan Board”).
 - i. The Plan and the Plan Board are collectively referred to as the “Plan Defendants”.
- F. The Retiree Health Care Trust (“Trust”).
- G. The Board of Trustees of the Retiree Health Care Trust (“Trust Board”).
 - i. The Trust and the Trust Board are collectively referred to as the “Trust Defendants.”
 - ii. The Plan Defendants and the Trust Defendants are collectively referred to as “Defendants.”

I. THE LITIGATION

WHEREAS, certain retirees of the Chicago Transit Authority (“CTA”) received pension and health benefits pursuant to an agreement referred to as the Retirement Plan for Chicago Transit Authority Employees (“Retirement Plan Agreement”).

WHEREAS, beginning no later than in 1983 and until June 30, 2009, eligible CTA retirees were provided health care coverage without being charged any premium. On July 1, 2009, pursuant to its statutory authority the Trust began charging retirees premiums for a portion of their retiree health care coverage, and the Plan began deducting those premiums from certain retirees’ pension checks.

WHEREAS, on December 30, 2008, in anticipation of the Trust beginning to charge retiree premiums, certain active employees and retirees of the CTA, including Williams, filed a Class Action Complaint against Defendants and others in the United States District Court for the

Northern District of Illinois, styled *Matthews, et al. v. Chicago Transit Authority, et al.*, No. 08-cv-7418, alleging, *inter alia*, that charging retirees premiums for individual retiree health care benefits violated certain provisions of the United States Constitution, Article XIII, Section 5 of the Illinois Constitution (“Pension Protection Clause”), and the Retirement Plan Agreement. On June 24, 2010, the federal court dismissed the federal claims and declined to exercise supplemental jurisdiction over the remaining state-law claims.

WHEREAS, on April 20, 2011, certain active employees and retirees of the CTA, including Williams, filed their initial Class Action Complaint in the Circuit Court of Cook County (“Court”), No. 11 CH 15446 (the “Litigation”). The initial complaint alleged, *inter alia*, that charging premiums for individual retiree health care benefits violated the Retirement Plan Agreement and the Pension Protection Clause.

WHEREAS, on September 21, 2012, the Court dismissed the claims of the active employees for lack of standing, and dismissed the claims of the retirees for failure to state a claim. Plaintiffs appealed, No. 1-12-3348, and on April 25, 2014, the Illinois Appellate Court issued an opinion affirming in part and reversing in part the judgment of the Court (2014 IL App (1st) 123348). The Illinois Supreme Court granted the parties’ cross-petitions for leave to appeal, Nos. 117638, 117713, 117728, and on May 5, 2016, issued an opinion affirming dismissal of the active employees’ claims, and affirming in part and reversing in part the opinion of the appellate court with respect to the retiree claims (2016 IL 117638).

WHEREAS, on remand, on June 7, 2017, a First Amended Class Action Complaint was filed in which Williams continued as Class Representative for the remaining retiree class and Whitehead was added as an additional Class Representative. Cooke was also added as a class representative and served in that capacity until his death on April 23, 2022. Defendants moved to

dismiss the First Amended Class Action Complaint and on November 20, 2017, the Court granted in part and denied in part the motions without prejudice.

WHEREAS, on December 22, 2017, Plaintiffs filed a Second Amended Class Action Complaint. The Trust Defendants moved to dismiss the Second Amended Class Action Complaint, and on July 12, 2018, the Court granted the motion without prejudice.

WHEREAS, on August 3, 2018, Plaintiffs filed a Third Amended Class Action Complaint (“Complaint”). The Complaint alleged that Defendants violated the Retirement Plan Agreement and the Pension Protection Clause (a) by the Trust charging retirees premium for a portion of their individual retiree health care benefits and the Plan deducting premiums from certain Class Members’ pension payments, and (b) by the Trust not providing the same health care coverage to retirees as is provided to active CTA employees. The Complaint sought damages and injunctive relief. The Trust Defendants moved to dismiss the Complaint, and on April 17, 2019, the Court denied the motion with respect to the retiree-premium claims, and granted the motion with respect to the same-coverage claims.

WHEREAS, the Plan filed an Amended Counterclaim for Common Law Indemnification of an Agent against the Trust on May 1, 2019 and the Court denied the Trust's motion to dismiss the Plan's Counterclaim for Indemnification in an order dated November 19, 2019;

WHEREAS, the Trust filed its Answer and Defenses to the Plan's Counterclaim for Indemnification on December 21, 2021, and the Plan filed its motion for summary judgment on its Counterclaim for Indemnification on February 3, 2022;

WHEREAS, the Trust and Plan reached a settlement agreement on March 15, 2022 whereby the Plan agreed to voluntarily dismiss its Counterclaim for Indemnification against the Trust in exchange for the Trust’s agreement to indemnify the Plan for any damages found against

the Plan in the Litigation, pursuant to the terms of agreement entered between the Plan and the Trust;

WHEREAS, the Plan's Counterclaim for Indemnification was voluntarily dismissed with prejudice in a Court Order entered on April 22, 2022;

WHEREAS, on July 7, 2020, over Defendants' objections, the Court granted Plaintiffs' Second Amended Motion for Class Certification. The Court certified the following Class:

All CTA retirees who were hired on or before September 5, 2001, retired from the CTA before January 1, 2007, and were eligible for retiree health benefits on July 1, 2009.

The Court also appointed Williams, Whitehead and Cooke as Class Representatives, and appointed Robinson Curley P.C. as Class Counsel.

WHEREAS, on or before October 15, 2020, the Court-approved Class Notice was mailed to all Class Members. Per the Court's order, the Notice informed the Class Members that the deadline to opt out of the Class was December 15, 2020. A total of six putative Class Members opted out of the Class.

WHEREAS, the parties engaged in extensive discovery and evidentiary proceedings in the Litigation.

WHEREAS, because the Third Amended Complaint raises complex and disputed legal and factual issues that would be costly to resolve at trial, the Parties have engaged in arm's-length settlement negotiations to resolve the claims of the Class.

WHEREAS, those settlement discussions have occurred over an eight month period of time, have necessitated special executive session board meetings by the Trust Board, in addition to executive sessions in the monthly meetings of the Trust Board and the Plan Board, and multiple conversations between Class Counsel and Defendants' Counsel.

WHEREAS, Plaintiffs believe that the claims asserted in the Litigation have merit and that the evidence supports their claims. However, Plaintiffs and Class Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation against Defendants through trial and appeals. Plaintiffs and Class Counsel also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like the Litigation. Plaintiffs and Class Counsel also are mindful of the inherent problems of proof and possible defenses to the claims asserted in the Litigation.

WHEREAS, Defendants have denied and continue to deny any wrongdoing, that they are obligated to provide retirees with premium-free individual retiree health care benefits pursuant to the Retirement Plan Agreement or the Pension Protection Clause, or that they have committed any act or omission in violation of the Retirement Plan Agreement or the Pension Protection Clause. Defendants have denied and continue to deny that the Class was properly certified, or that the Class Representatives or any Class Members have suffered damages or were otherwise harmed by the conduct alleged in the Complaint. Nonetheless, Defendants have concluded that further conduct of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in this Agreement. Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like the Litigation. Defendants have, therefore, determined that it is desirable and beneficial that the Litigation be settled in the manner and upon the terms and conditions set forth in this Agreement.

WHEREAS, the Parties agree that it is in their best interests to compromise the claims raised by the Litigation and to end the Litigation due to their desire to avoid the expense delay and risks of continued litigation, including further motion practice and trial, and they desire to

compromise the claims of the Class against Defendants, subject to the Court's approval, upon the terms and conditions set forth herein;

WHEREAS, The Class Representatives and Class Counsel believe the Settlement set forth in this Agreement confers substantial benefits upon the Class. Based on their evaluation, the Class Representatives and Class Counsel have determined that the Settlement set forth in this Agreement is in the best interests of the Class;

WHEREAS, the Parties expressly acknowledge that the settlement embodied in the Settlement Agreement is a good faith settlement of the claims of the Class against Defendants and the Released Defendants defined herein. The Parties further expressly acknowledge that the terms of the Settlement Agreement were negotiated at arm's length between the Parties

II. SETTLEMENT TERMS

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Plaintiffs, the Class, and Defendants that, subject to approval of the Court, the Litigation, the Released Claims and the Released Defendants' Claims shall be finally, fully and forever compromised, settled, and released, and the Litigation shall be dismissed with prejudice as to all Settling Parties upon and subject to the terms and conditions of this Agreement, as follows:

1. Definitions

As used in this Agreement the following capitalized terms not elsewhere defined have the meanings specified below:

1.1 "Claims Administrator" means the firm of Kroll Settlement Administration, LLC.

1.2 "Class" means all CTA retirees who were hired on or before September 5, 2001, retired from the CTA before January 1, 2007, and were eligible for retiree health benefits on

July 1, 2009. Excluded from the Class are Persons who previously opted out of the Class.

1.3 “Class Counsel” means the law firm of Robinson Curley P.C.

1.4 “Class Member” means a Person who falls within the definition of the Class as set forth in ¶ 1.2 above.

1.5 “Effective Date,” or the date upon which this Settlement becomes “effective,” means the first date by which all of the events and conditions specified in ¶ 8.1 of this Agreement have been met and have occurred or have been waived.

1.6 “Escrow Agent” means The Huntington National Bank.

1.7 “Escrow Agreement” means the agreement entered into between Class Counsel and the Escrow Agent for the provision of escrow services.

1.8 “Estate Representative” means the court-appointed representative of a deceased Class Member or, in the absence of a court-appointed representative, the surviving spouse of a deceased Class Member, or, in the absence of a surviving spouse, the surviving children of a deceased Class Member, or, in the absence of a surviving spouse or children, the surviving parents of the deceased Class Member, or in the absence of a surviving spouse, children or parent, any other properly verified next of kin of the deceased Class Member.

1.9 “Final” means when the last of the following with respect to the Judgment approving this Agreement shall occur: (i) the expiration of 30 days after the entry of the Judgment without any motion being filed to modify or vacate the Judgment (“Section 2-1203 Motion”); (ii) the expiration of the time for the filing or noticing of any appeal from the Judgment without any appeal having been taken; and (iii) if a Section 2-1203 Motion is filed or if an appeal is taken, immediately after the final determination of that motion or appeal such that no further judicial review or appeal is permitted, whether by reason of affirmance by a court of

last resort, lapse of time, voluntary dismissal of the appeal, or otherwise in such a manner as to permit the consummation of the Settlement substantially in accordance with the terms and conditions of this Agreement. For purposes of this paragraph, an “appeal” shall include any request for leave to appeal, petition for a writ of *certiorari* or other writ that may be filed in connection with approval or disapproval of this Settlement. The parties agree to request that the Court enter a finding pursuant to Illinois Supreme Court Rule 304(a) with respect to the Judgment, and to address the requests for approval of the Fee and Expense Application and the Plan of Distribution in orders separate from the Judgment, so that any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to the Fee and Expense Application or the Plan of Distribution (as submitted or subsequently modified), not delay, affect, or preclude the time set forth above for the Judgment to become Final, or otherwise preclude the Judgment from becoming Final.

1.10 “Judgment” means the Order and Final Judgment to be rendered by the Court substantially in the form attached hereto as Exhibit C.

1.11 “Net Settlement Fund” means the Settlement Fund less: (i) Notice and Administration Expenses; (ii) Taxes and Tax Expenses; (iii) any Fee and Expense Award and interest thereon; and (iv) other Court-approved deductions.

1.12 “Person” means an individual, corporation, limited liability corporation, professional corporation, partnership, limited partnership, limited liability partnership, limited liability company, association, joint stock company, their estate, legal representative, trust, or unincorporated association, and all of their respective heirs, executors, administrators, predecessors, successors, representatives, or assigns.

1.13 “Plan of Distribution” means the plan or formula of allocation and distribution of

the Net Settlement Fund whereby the Net Settlement Fund shall be distributed to Class Members. Any Plan of Distribution is not part of this Agreement and neither Defendants nor their Related Parties shall have any responsibility or liability with respect thereto.

1.14 “Related Parties” means each Defendant’s respective former, present, and future employees, members, managers, partners, principals, officers, directors, trustees, alternate trustees, agents, attorneys, advisors, accountants, auditors, insurers and reinsurers; and the predecessors, successors, estates, heirs, executors, trusts, trustees, administrators, agents, legal or personal representatives, and assigns of each of them.

1.15 “Released Claims” means any and all claims, causes of action, demands, rights, potential actions, liabilities, duties, damages, losses, diminutions in value, obligations, agreements, suits, fees, attorneys’ fees, expert or consulting fees, debts, expenses, and costs, of every nature and description whatsoever, known and unknown, whether arising under federal, state, common, statutory, constitutional, administrative, or foreign law, or any other law, rule or regulation, at law or in equity, whether class or individual in nature, that Plaintiffs or any Class Member asserted in the Litigation or could have asserted, whether known or unknown, contingent or absolute, liquidated or not liquidated, accrued or unaccrued, suspected or unsuspected, disclosed or undisclosed, foreseen or unforeseen, that arise out of or are based upon or related in any way to the claims asserted in the Litigation, including but not limited to (a) the charging of premiums for individual retiree health care benefits to the Class, (b) the deduction of premiums for individual retiree health care benefits from retiree pension payments; and (c) the failure to provide the same health care coverage to the Class as is provided to active CTA employees, except for claims relating to the enforcement of the Settlement.

1.16 “Released Defendants’ Claims” means any and all claims, causes of action,

demands, rights, potential actions, liabilities, duties, damages, losses, diminutions in value, obligations, agreements, suits, fees, attorneys' fees, expert or consulting fees, debts, expenses, and costs, of every nature and description whatsoever, known and unknown, whether arising under federal, state, common, statutory, constitutional, administrative, or foreign law, or any other law, rule or regulation, at law or in equity, that any Released Defendant asserted in the Litigation or could have asserted, whether known or unknown, contingent or absolute, liquidated or not liquidated, accrued or unaccrued, suspected or unsuspected, disclosed or undisclosed, foreseen or unforeseen, that arise out of or are based upon or related in any way to the claims asserted in the Litigation.

1.17 "Released Persons" means the Defendants and their Related Parties.

1.18 "Settlement" means the resolution of the Litigation in accordance with the terms and provisions of this Agreement.

1.19 "Settlement Amount" means Eighty Million Dollars (\$80,000,000) in cash to be paid by the Trust on behalf of all Defendants by check or wire transfer to the Escrow Agent pursuant to ¶ 2.1 of this Agreement. This is the total aggregate dollar amount that Defendants will be obligated to pay if the Settlement is approved by the Court.

1.20 "Settlement Fund" means the Settlement Amount plus all interest, accretions, earnings, and losses thereon.

1.21 "Settlement Hearing" means the hearing set by the Court to consider final approval of the Settlement.

1.22 "Settling Parties" means, collectively, Plaintiffs, Defendants, and the Class.

1.23 "Tax" or "Taxes" mean any and all taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and

additional amounts imposed with respect thereto) imposed by any governmental authority, including, but not limited to, any local, state, and federal taxes.

2. The Settlement

a. The Settlement Amount

2.1 In consideration of the terms of this Agreement, the Trust shall cause the Settlement Amount to be paid to the Escrow Agent by check or wire transfer in accordance with instructions to be provided by the Escrow Agent, on or before the later of: (i) June 30, 2023, or (ii) ten (10) business days after providing the Trust all information necessary to effectuate a transfer of funds, including, but not limited to, the bank name and ABA routing number, account name and number, and a signed W-9 reflecting the taxpayer identification number for the Settlement Fund. The Escrow Agent shall deposit the Settlement Amount in a segregated escrow account (the “Escrow Account”) maintained by the Escrow Agent and invested as set forth in ¶ 2.5 below.

2.2 If the entire Settlement Amount is not timely paid to the Escrow Agent, Class Counsel in its discretion may take all necessary action to enforce this Agreement or terminate the Settlement.

2.3 Other than the Trust’s obligation to pay or cause to be paid the Settlement Amount into the Escrow Account set forth in ¶ 2.1 herein, Defendants shall have no obligation to make any other payment, into the Settlement Fund or otherwise, pursuant to this Agreement, and shall have no responsibility, obligation, or liability with respect to the Escrow Account or the monies maintained in the Escrow Account or the administration of the Settlement, including, without limitation, any responsibility or liability for any fees, Taxes, investment decisions, maintenance, supervision or distribution of any portion of the Settlement Amount.

2.4 The Settlement Amount is the maximum aggregate amount Defendants shall be obligated to pay under this Agreement, if it is approved by the Court. In the event a court determines or otherwise issues an order or opinion that there should be any money paid from the Settlement Fund or by Defendants other than as contemplated by this Agreement, Defendants have the right to terminate this Agreement, in their sole discretion.

b. The Escrow Agent

2.5 The Escrow Agent shall invest the Settlement Amount deposited pursuant to ¶ 2.1 hereof in United States Agency or Treasury Securities or other instruments backed by the Full Faith & Credit of the United States Government, or fully insured by the United States Government or an Agency thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. All risks related to the investment of the Settlement Fund in accordance with the investment guidelines set forth in this paragraph shall be borne by the Settlement Fund, and the Released Persons shall have no responsibility for, interest in, or liability whatsoever with respect to investment decisions or the actions of the Escrow Agent, or any transactions executed by the Escrow Agent, except their reversionary interest in the Settlement Fund to the extent the Effective Date does not occur pursuant to ¶ 2.13 below.

2.6 The Escrow Agent shall not disburse the Settlement Fund except as provided in this Agreement, the Escrow Agreement, by an order of the Court, or with the prior written agreement of all the Settling Parties' counsel identified in ¶ 10.12 hereof.

2.7 Subject to further order(s) and/or directions as may be made by the Court or as provided in this Agreement, the Escrow Agent is authorized to execute such transactions as are consistent with the terms of this Agreement and the Escrow Agreement. The Released Persons

shall have no responsibility for, interest in, or liability whatsoever with respect to the actions of the Escrow Agent, or any transaction executed by the Escrow Agent, except their reversionary interest in the Settlement Funds to the extent the Effective Date does not occur pursuant to ¶¶ 2.13 and 8.5 below.

2.8 All funds held by the Escrow Agent shall be deemed and considered to be in the legal custody of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to this Agreement and/or further order(s) of the Court.

2.9 After the Court issues the Preliminary Approval Order, and notwithstanding the fact that the Effective Date of the Settlement has not yet occurred, Class Counsel may obtain payment from the Settlement Fund, without further approval and/or order of the Court, for the reasonable costs and expenses actually incurred in connection with providing notice of the Settlement to the Class, calculating claims of Class Members, locating Class Members and Estate Representatives, administering the Settlement, and paying escrow fees and costs (“Notice and Administration Expenses”). Class Counsel shall post a quarterly report of all such payments on the Settlement website. The Released Persons shall have no responsibility for or liability whatsoever with respect to the Notice and Administration Expenses, nor shall they have any responsibility or liability whatsoever for any claims with respect thereto.

c. Taxes

2.10 (a) The Settling Parties and the Escrow Agent agree to treat the Settlement Fund as being at all times a “qualified settlement fund” within the meaning of Treas. Reg. §1.468B-1. The Settling Parties and the Escrow Agent further agree that the Settlement Fund shall be established pursuant to the Court’s subject matter jurisdiction within the meaning of

Treas. Reg. §1.468B-1(c)(1). The Claims Administrator shall timely make such elections as necessary or advisable to carry out the provisions of this ¶ 2.10, including the “relation-back election” (as defined in Treas. Reg. §1.468B-1) to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Claims Administrator to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

(b) For the purpose of Section 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” (as defined in Treas. Reg. §1.468B-2(k)(3)) shall be the Claims Administrator. The Claims Administrator shall timely and properly file all informational and other federal, state, or local tax returns necessary or advisable with respect to the earnings on the Settlement Fund (including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the elections described in ¶ 2.10 (a) hereof) shall be consistent with this ¶ 2.10 and in all events shall reflect that all Taxes (including any estimated Taxes, interest, or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided in ¶ 2.10 (c) hereof.

(c) All (i) Taxes (including any estimated Taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund, including any Taxes or tax detriments that may be imposed upon the Released Persons with respect to any income earned by the Settlement Fund for any period, after the deposit of the Settlement Amount, during which the Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes, and (ii) expenses and costs incurred in connection with the operation and implementation of this ¶ 2.10 (including, without limitation, expenses of tax attorneys and/or

accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this ¶ 2.10 (“Tax Expenses”), shall be paid out of the Settlement Fund; the Released Persons and their counsel shall have no liability or responsibility for the Taxes or the Tax Expenses. The Claims Administrator, through the Settlement Fund, shall indemnify and hold each of the Released Persons and their counsel harmless for Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the Escrow Agent out of the Settlement Fund without prior order from the Court and the Escrow Agent shall be authorized (notwithstanding anything herein to the contrary) to withhold from disbursement to the Claims Administrator any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. §1.468B-2(i)(2)). The Settling Parties agree to cooperate with the Claims Administrator, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this ¶ 2.10.

2.11 This is not a claims-made settlement. As of the Effective Date, Defendants shall not have any right to return of the Settlement Fund or any portion thereof for any reason.

2.12 To the extent the Trust or its successors continue to offer retiree, dependent or surviving spouse coverage to CTA retirees, the Trust and its successors shall make benefit and premium determinations (including eligibility determinations, premium rates, and plan design features) without regard to whether the retiree participated as a Class Member or not, and the Trust and its successors determinations shall not in any way discriminate against, single out, or treat differently the Class Members or any of them, their dependents or surviving spouses, from

comparable non-Class retirees, their dependents or surviving spouses. Violations of this provision are not released by this Agreement. Subject to the above limitation, this Agreement shall have no impact on the Trust's current (a) eligibility requirements for retiree coverage of Class Members, (b) eligibility requirements for dependents and surviving spouses of Class Members, or (c) ability to charge retirees premium for individual retiree and/or dependent and surviving spouse health care coverage. For the avoidance of doubt, it is intended that, subject to the above limitation, the Trust shall be entitled to maintain or change current eligibility and premium requirements and plan design features for Class Members and their surviving spouses and dependents.

d. Termination of Settlement

2.13 In the event that this Agreement or the Settlement is not approved, or is terminated, canceled, or the Effective Date otherwise fails to occur for any reason, including, without limitation, in the event the Judgment is reversed or vacated or materially altered following any appeal taken therefrom, or is successfully collaterally attacked, the Settlement Fund less Notice and Administration Expenses and Taxes or Tax Expenses paid, incurred, or due and owing pursuant to ¶¶ 2.9 and 2.10 hereof in connection with the Settlement provided for herein, shall be refunded pursuant to written instructions from the Trust's counsel in accordance with ¶ 8.5 herein.

3. Preliminary Approval Order and Settlement Hearing

3.1 Within ten (10) calendar days after execution of this Agreement, Class Counsel shall submit this Agreement together with its Exhibits to the Court and shall move the Court for (a) entry of an order (the "Preliminary Approval Order"), substantially in the form of Exhibit A hereto, requesting, *inter alia*, the preliminary approval of the Settlement set forth in this

Agreement as fair, reasonable, and adequate, including the material terms of this Agreement; (b) set a date for the final Settlement Hearing; (c) approve the proposed settlement notice (the “Notice”) substantially in the form of Exhibit B hereto and authorize its dissemination to the Class by mail; and (d) set deadlines consistent with this Agreement for mailing of the Notice, the filing of objections, the filing of motions, and the filling of papers in connection with the final Settlement Hearing. The Notice shall include a description of the general terms of the Settlement set forth in this Agreement, the proposed Plan of Distribution, the general terms of the Fee and Expense Application, and the date of the Settlement Hearing as defined below. Defendants agree to not oppose the entry of the Preliminary Approval Order, provided it is substantially in the form of Exhibit A hereto.

3.2 It shall be solely the responsibility of Class Counsel and the Claims Administrator to disseminate the Notice to the Class in accordance with this Agreement and as ordered by the Court. Class Members shall have no recourse against the Released Persons with respect to any claims they may have that arise from any failure of the notice process or otherwise.

3.3 Class Counsel shall request that, 120 days after the Notice is sent, the Court hold a hearing (the “Settlement Hearing”) and approve the Settlement of the Litigation as set forth herein. At the Settlement Hearing, Class Counsel also will request that the Court approve the proposed Plan of Distribution and the Fee and Expense Application. Class Counsel shall post the Fee and Expense Application on the Settlement website on or before the deadline set forth in the Preliminary Approval Order.

4. Releases

4.1 Upon the Effective Date, Plaintiffs and each Class Member shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released,

relinquished, and discharged all Released Claims against the Released Persons, whether or not such Class Member shares in the Net Settlement Fund. Claims to enforce the terms of this Agreement are not released.

4.2 Upon the Effective Date, Plaintiffs, all Class Members, and anyone claiming through or on behalf of any of them, will be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, administrative forum or other forum of any kind, asserting any Released Claims against any of the Released Persons. This Release shall be included as part of any judgment, so that all released claims and rights shall be barred by principles of *res judicata*, collateral estoppel, and claim and issue preclusion.

4.3 Upon the Effective Date, each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Defendants' Claims against Plaintiffs, each and all of the Class Members, and Class Counsel. Claims to enforce the terms of this Agreement are not released.

4.4 Upon the Effective Date, the Plan Defendants and their Related Parties shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Defendants' Claims against the Trust Defendants and their Related Parties.

4.5 Upon the Effective Date, the Trust Defendants and their Related Parties shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Defendants' Claims against the Plan Defendants and their Related Parties.

4.6 All of the foregoing Releases shall be incorporated by reference as part of the Judgment, so that all released claims and rights shall be barred by principles of *res judicata*, collateral estoppel, and claim and issue preclusion.

5. Administration and Calculation of Claims, Individual Settlement Amounts, and Supervision and Distribution of the Settlement Fund

5.1 The Claims Administrator, pursuant to the Plan of Distribution and subject to such supervision and direction of Class Counsel and the Court as may be necessary or as circumstances may require, shall administer and calculate the claims of Class Members and shall oversee distribution of the Net Settlement Fund to Class Members, and to Estate Representatives who have timely and properly completed and submitted a Change of Information form approved by the Claims Administrator as provided in the Notice. The Claims Administrator may rely on sworn statements of the Class Members and Estate Representatives in allocating and distributing the Settlement Fund.

5.2 The Settlement Fund shall be applied as follows:

- (a) to pay all Notice and Administration Expenses;
- (b) to pay all Taxes and Tax Expenses;
- (c) within ten (10) business days after the Effective Date, to pay Service Awards to Class Representatives and attorneys' fees and expenses, if and to the extent allowed by the Court (the "Fee and Expense Award"); and
- (d) within thirty (30) calendar days after the Effective Date, to distribute the Net Settlement Fund to Class Members and Estate Representatives as provided by this Agreement, the Plan of Distribution, and the orders of the Court.

5.3 Each Class Member shall be deemed to have submitted to the jurisdiction of the Court with respect to the Class Member's claim or status as a Class Member, including all

releases contained herein, the Judgment, and the bar against bringing any action against the Released Persons concerning the Released Claims.

5.4 The Net Settlement Fund shall be distributed to the Class Members and Estate Representatives substantially in accordance with the Plan of Distribution set forth in the Notice and approved by the Court. If there is any balance remaining in the Net Settlement Fund after a reasonable period of time after the date of the initial distribution of the Net Settlement Fund, Class Counsel shall, if feasible and economical, reallocate (which reallocation may occur on multiple occasions) such balance among Class Members and Estate Representatives in an equitable and economical fashion. Any *de minimis* balance that still remains in the Net Settlement Fund after such reallocation(s) and payments, which is not feasible or economical to reallocate, shall be donated to any appropriate non-sectarian, non-profit charitable organization(s) serving the public interest as approved by the Court. This is not a claims-made settlement. There will be no reversion of remaining funds to Defendants.

5.5 Defendants and their Related Parties shall have no responsibility for, interest in, or liability whatsoever with respect to the distribution of the Net Settlement Fund, the Plan of Distribution, the determination, administration, or calculation of claims, the payment or withholding of Taxes or Tax Expenses, or any losses incurred in connection therewith. No Person shall have any claim of any kind against the Released Persons or their counsel with respect to the matters set forth in ¶¶ 5.1-5.5 hereof; and Plaintiffs and the Class release the Released Persons and their Related Parties from any and all liability and claims arising from or with respect to the administration, investment, or distribution of the Settlement Fund.

5.6 No Person shall have any claim against any Plaintiff, Class Counsel or the Claims Administrator, or any other Person designated by Class Counsel, based on determinations or

distributions made substantially in accordance with this Agreement and the Settlement contained herein, the Plan of Distribution, or further order(s) of the Court.

5.7 It is understood and agreed by the Settling Parties that the Court's failure to approve any proposed Plan of Distribution of the Net Settlement Fund shall not prevent this Agreement from becoming effective, nor shall it be grounds for termination. In the event that the Court declines to approve the Plan of Distribution of the Net Settlement Fund, the remaining provisions of this Settlement Agreement shall remain in full force and effect. The Plan of Distribution is not part of this Agreement, and the parties shall request that the Court enter a finding pursuant to Illinois Supreme Court Rule 304(a) with respect to the Judgment, and to address the request for approval of the Plan of Distribution separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in this Agreement, and shall further request that any order or proceeding relating to the Plan of Distribution not affect the finality of the Court's Judgment approving this Agreement and the Settlement set forth herein.

6. Class Member Statements in Support and Objections

6.1 Each Class Member shall be bound by all determinations and judgments in the Litigation, including, but not limited to, the releases provided for herein, whether favorable or unfavorable to the Class. If the Settlement is approved by the Court at the Settlement Hearing, any and all Class Members will be bound by any Orders entered by the Court and the Release set forth herein.

6.2 Any Class Member may file a statement in support of or objection to the Settlement, the Plan of Distribution, and/or the Fee and Expense Application. Any such statement or objection shall be filed with the Court at least thirty (30) calendar days prior to the

Settlement Hearing (or other date as prescribed by the Court), and also delivered by hand, email or First-Class Mail by that same date to Class Counsel and Defendants' counsel at the addresses listed in ¶ 10.12 below.

6.3 Any such statement or objection must: (a) clearly indicate the Class Member's name, mailing address, telephone number and email address; and (b) identify what aspect(s) of the Settlement for which the Class Member is seeking to be heard and the reason(s) for the statement or objection, including legal support, if any, for such statement or objection. The statement or objection must also be signed by the Class Member to be considered. Class members may file a statement or objection either on their own or through an attorney hired at their own expense.

6.4 Attendance at the Settlement Hearing is not necessary. However, any Persons wishing to be heard at the Settlement Hearing, either individually or through counsel of their own choice, in support of or opposition to approval of the Settlement, the Plan of Distribution, and/or the Fee and Expense Application, are required to indicate in their timely written statement or objection pursuant to ¶¶ 6.2 and 6.3 hereof, their intention to appear at the Settlement Hearing and to include in such written statement or objection the identity of any witnesses they may call to testify and copies of any exhibits they intend to introduce into evidence at the Settlement Hearing.

6.5 Class Members do not need to appear at the Settlement Hearing to indicate their support for the Settlement or make an objection. Class Counsel and Defendants' counsel shall promptly furnish each other with copies of any and all statements in support or objections that come into their possession, and shall file same with the Court if the supporter or objector has not done so.

6.6 Any Class Member who does not object to the Settlement, Plan of Distribution, and/or the Fee and Expense Application in the manner prescribed herein and in the Notice, shall be deemed to have waived such objection and their right to object to the Settlement, the Judgment, the Plan of Distribution, and the Fee and Expense Application, and shall forever be barred and foreclosed from making any objection to the fairness, adequacy or reasonableness of the proposed Settlement, the Final Judgment, the Plan of Distribution, and the Fee and Expense Application, and from otherwise being heard concerning the Settlement, the Judgment, the Plan of Distribution, and the Fee and Expense Application in this or any other proceeding.

7. Class Counsel's Attorneys' Fees and Expenses

7.1 On or before the deadline set forth in the Preliminary Approval Order, Class Counsel may submit an application or applications (the "Fee and Expense Application") for payment from the Settlement Fund of: (a) an award of attorneys' fees; plus (b) costs and expenses in connection with prosecuting the Litigation; plus (c) compensation for the Class Representatives' time and expenses in connection with their work on behalf of the Class ("Service Awards"); plus (d) any interest on such attorneys' fees, costs, expenses and Service Awards at the same rate and for the same periods as earned by the Settlement Fund. Class Counsel reserves the right to make additional applications for fees and expenses incurred.

7.2 Any Fee and Expense Award approved by the Court shall be paid from the Settlement Fund, as ordered, within three (3) business days after the Effective Date. Class Counsel may thereafter allocate the attorneys' fees among Class Counsel and other counsel who represented Plaintiffs in a manner in which Class Counsel in good faith believes comports with existing fee agreements and the contributions of such counsel to the prosecution of the

Litigation. The Court shall retain jurisdiction to resolve any disputes concerning the allocation of such fees.

7.3 The procedure for the allowance or disallowance by the Court of a Fee and Expense Application by Class Counsel is not part of the Settlement set forth in this Agreement. The Court's denial of the Fee and Expense Application in whole or in part shall not prevent this Agreement from becoming effective, nor shall it be grounds for termination, and the parties shall request that the Court enter a finding pursuant to Illinois Supreme Court Rule 304(a) with respect to the Judgment, and to address the request for approval of the Fee and Expense Application separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in this Agreement, and shall further request that any order or proceeding relating to the Fee and Expense Application not affect the finality of the Court's Judgment approving this Agreement and the Settlement set forth herein.

7.4 Any fees and/or expenses awarded by the Court shall be paid solely from the Settlement Fund. With the sole exception of the Trust's obligation to pay or cause the Settlement Amount to be paid into the Escrow Account as provided for in ¶ 2.1, Defendants and their Related Parties shall have no responsibility for, and no liability whatsoever with respect to, any payment of attorneys' fees and/or expenses to Class Counsel, any Service Awards or any other counsel or Person who receives payment from the Net Settlement Fund.

8. Conditions of Settlement, Effect of Disapproval, Cancellation, or Termination

8.1 The Effective Date of the Settlement shall be conditioned on the occurrence of all of the following events:

- (a) the Court has entered the Preliminary Approval Order, as required by ¶ 3.1 hereof;

- (b) the Settlement Amount has been deposited into the Escrow Account;
- (c) the Court has entered the Judgment, or a judgment substantially in the form of Exhibit C attached hereto, following notice to the Class and the Settlement Hearing; and
- (d) the Judgment has become Final.

8.2 Upon the Effective Date, any and all remaining interest or right of the Defendants in or to the Settlement Fund, if any, shall be absolutely and forever extinguished. If the conditions specified in ¶ 8.1 hereof are not met, then the Settlement shall be canceled and terminated subject to ¶¶ 8.5, 8.6 or 8.7 hereof unless Plaintiffs and Defendants mutually agree in writing to proceed with the Settlement.

8.3 Plaintiffs or Defendants shall have the right to terminate the Settlement and this Agreement by providing written notice of their election to do so (“Termination Notice”) to all other Settling Parties hereto within fourteen (14) days of: (a) the Court’s declining to enter the Preliminary Approval Order in any material respect; (b) the Court’s refusal to approve this Agreement or any material part of it; (c) the Court’s declining to enter the Judgment in any material respect; (d) the Judgment being modified or reversed in any material respect by the Court or any appeals court; or (e) the Settlement or the Judgment failing to become Final or the Effective Date failing to occur for any reason.

8.4 If, before the Settlement becomes Final, the Trust files for protection under the Bankruptcy Code, or any similar law, or a receiver, conservator, or other fiduciary is appointed under bankruptcy, or any similar law, and in the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money or any portion thereof to the Escrow Agent by the Trust to be a preference, voidable transfer, fraudulent transfer or similar transaction

and any portion thereof is required to be returned to Defendants out of the Escrow Account, then, at the election of Plaintiffs, the Settlement may be terminated and the Judgment, including the releases pursuant thereto, shall be null and void.

8.5 Unless otherwise ordered by the Court, in the event this Agreement is not approved or this Agreement or the Settlement is terminated, or canceled, or the Effective Date otherwise fails to occur for any reason, including, without limitation, in the event the Judgment is reversed or vacated or materially altered following any appeal taken therefrom, or is successfully collaterally attacked, within fourteen (14) business days after written notification of such event is sent by Defendants' counsel or Class Counsel to the Escrow Agent, the Settlement Fund, less Taxes, Tax Expenses and Notice and Administration Expenses which have either been disbursed pursuant to ¶¶ 2.9 and/or 2.10 hereof, or are chargeable to the Settlement Fund pursuant to ¶¶ 2.9 and/or 2.10 hereof, shall be refunded by the Escrow Agent to the Trust. Such refund shall be pursuant to written instructions from the Trust's counsel. The Claims Administrator shall apply for any tax refund owed on the Settlement Amount and the Escrow Agent shall pay the proceeds, after deduction of any fees or expenses incurred in connection with such application(s) for refund, to the same Persons in the same manner as the Settlement Fund described in this ¶ 8.5. Such payments shall be pursuant to written instructions from Defendants' counsel.

8.6 In the event that this Agreement is not approved or this Agreement or the Settlement is terminated, canceled, or the Effective Date otherwise fails to occur for any reason, the Settling Parties shall be restored to their respective positions in the Litigation as of March 24, 2023. In such event, the terms and provisions of this Agreement, including its Exhibits, with the exception of ¶¶ 1.1 - 1.23, 2.3 - 2.11, 7.3 - 7.4, 8.4 - 8.7 and 10.5 hereof, shall have no further force and effect with respect to the Settling Parties and shall not be used in this Litigation, in any

other proceeding or otherwise for any purpose, and any Judgment or order entered by the Court in accordance with the terms of this Agreement (except to enforce its surviving terms) shall be treated as vacated, *nunc pro tunc*. No order of the Court or modification or reversal on appeal of any order of the Court concerning the Plan of Distribution or any Fee and Expense Award shall operate to terminate or cancel this Agreement or constitute grounds for cancellation or termination of this Agreement.

8.7 If the Effective Date does not occur, or if this Agreement is terminated pursuant to its terms, neither Plaintiffs nor any of their counsel shall have any obligation to repay any amounts disbursed pursuant to ¶ 2.9 hereof. In addition, any amounts already incurred pursuant to ¶ 2.9 hereof at the time of such termination or cancellation but which have not been paid, shall be paid by the Escrow Agent in accordance with the terms of this Agreement prior to the balance being refunded in accordance with ¶¶ 2.13, 8.6 and 8.7 hereof.

9. No Admission of Wrongdoing

9.1 Defendants deny any wrongdoing and liability and maintain that their conduct at all times was legal and proper. Neither the Settlement, this Agreement (whether or not consummated), including the Exhibits hereto and the Plan of Distribution contained therein (or any other plan of distribution or allocation that may be approved by the Court), any of the terms of this Agreement, the negotiations leading to the execution of this Agreement and the Settlement, nor any proceedings taken pursuant to or in connection with this Agreement, and/or approval of the Settlement (including any arguments proffered in connection therewith) shall be offered or received against any Defendant as evidence of or deemed or construed to be evidence of or constitute any presumption, concession, or admission by any Defendant of the truth of any allegations by Plaintiffs or any Class Member or the validity of any claim that has been or could

have been asserted in the Litigation, or the deficiency of any defense that has been or could have been asserted in the Litigation or in any other litigation, or of any liability, negligence, fault, damage, or wrongdoing of any kind of any of the Defendants or in any way referred to for any other reason as against any of the Defendants, in any civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Agreement.

10. Miscellaneous Provisions

10.1 The Settling Parties: (a) acknowledge that it is their intent to consummate this agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this Agreement and to exercise their best efforts to accomplish the foregoing terms and conditions of this Agreement.

10.2 No modification or amendment of this Agreement shall be valid unless made in writing and signed by or on behalf of all Settling Parties or their respective successors-in-interest.

10.3 The Settling Parties intend this Settlement to be a final and complete resolution of all disputes between them with respect to the Litigation. The Settlement compromises all claims that were, are or could have been contested and shall not be deemed an admission by any Settling Party as to the merits of any claim or defense. The Settling Parties agree that the Settlement Amount and the other terms of the Settlement were negotiated in good faith by the Settling Parties, and reflect a settlement that was reached voluntarily after consultation with competent legal counsel. The Settling Parties reserve their right to rebut, in a manner that such party determines to be appropriate, any contention made in any public forum regarding the Litigation, including that the Litigation was brought or defended in bad faith or without a reasonable basis.

10.4 Defendants and/or their respective Related Parties may file this Agreement and/or the Judgment from this action in any other action that may be brought against them in order to support any defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any theory of claim preclusion, issue preclusion, bar or similar defense or counterclaim.

10.5 All agreements made and orders entered during the course of the Litigation relating to the confidentiality of information shall survive this Agreement.

10.6 All of the Exhibits to this Agreement are material and integral parts hereof and are fully incorporated herein by this reference.

10.7 This Agreement and the Exhibits attached hereto constitute the entire agreement among the Settling Parties hereto as to the subject matter hereof and supersede any prior or contemporaneous written or oral agreements or understandings between the Settling Parties. No representations, warranties, or inducements have been made to any party concerning this Agreement or its Exhibits other than the representations, warranties, and covenants contained and memorialized in such documents.

10.8 Except as otherwise provided herein, each party shall bear their own fees and costs.

10.9 Class Counsel, on behalf of the Class, are expressly authorized by Plaintiffs to take all appropriate action required or permitted to be taken by the Class pursuant to this Agreement to effectuate its terms and also are expressly authorized to enter into any modifications or amendments to this Agreement on behalf of the Class which they deem appropriate.

10.10 Each counsel or other Person executing this Agreement or any of its Exhibits on behalf of any party hereto hereby warrants that such Person has the full authority to do so.

10.11 This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of executed counterparts shall be filed with the Court. Signatures sent by facsimile or pdf via email shall be deemed originals.

10.12 Other than as provided in ¶ 6.2, all notices, requests, demands, claims, and other communications hereunder shall be in writing and shall be deemed duly given when delivered by electronic mail addressed to the intended recipient as set forth below:

If to Plaintiffs or to Class Counsel:

C. Philip Curley
Robinson Curley PC
200 North LaSalle Street, Suite 1550
Chicago, Illinois 60601
Telephone (312) 663-3100
pcurley@robinsoncurley.com

If to Plan Defendants or to Plan Defendants' Counsel:

Victoria R. Collado
Burke, Warren, MacKay & Serritella P.C.
330 North Wabash Avenue, Suite 2100
Chicago, Illinois 60611
Telephone: (312) 840-7001
vcollado@burkelaw.com

If to Trust Defendants or to Trust Defendants' Counsel:

Katheleen A. Ehrhart
Smith Gambrell & Russell LLP
311 South Wacker Drive, Suite 3000
Chicago, Illinois 60606
Telephone: (312) 360-6460
kehrhart@sgrlaw.com

10.13 This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties.

10.14 The waiver by one party of any breach of this Agreement by any other party shall not be deemed a waiver by any other party or a waiver of any other prior or subsequent breach of this Agreement.

10.15 Pending approval of the Court of this Agreement and its Exhibits, all proceedings in this Litigation shall be stayed and all Class Members shall be barred and enjoined from prosecuting any of the Released Claims against any of the Released Persons.

10.16 This Agreement and the Exhibits hereto shall be considered to have been negotiated, executed and delivered, and to be wholly performed, in the State of Illinois, and the rights and obligations of the Settling Parties shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of Illinois without giving effect to its choice-of-law principles.

10.17 The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

10.18 This Agreement shall not be construed more strictly against one party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Settling Parties, it being recognized that it is the result of arm's-length negotiations between the Settling Parties and all Settling Parties have contributed substantially and materially to the preparation of this Agreement.

IN WITNESS WHEREOF, the Settling Parties and their counsel have caused this Agreement to be executed on the dates indicated below.

Jerry W. Williams
Jerry Williams, Individually and on behalf of the Class

Date: 5-10-2023

Larry Whitehead
Larry Whitehead, Individually and on behalf of the Class

Date: 05-10-2023

Stewart Cooke III, as Special Representative of the
Estate of Stewart Cooke

Date: _____

C. Philip Curley, ROBINSON CURLEY P.C.
C. Philip Curley, Class Counsel, on behalf of the Class

Date: May 17, 2023

Retirement Plan for Chicago Transit Authority Employees

By: _____
Keith Hill, Chairman of the Board of Trustees of
the Retirement Plan for Chicago Transit Authority
Employees

Date: _____

Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees

By: _____
Keith Hill, Chairman of the Board of Trustees of
the Retirement Plan for Chicago Transit Authority
Employees

Date: _____

Retiree Health Care Trust

By: _____
Keith Hill, Chairman of the Board of Trustees of
the Retiree Health Care Trust

Date: _____

Jerry Williams, Individually and on behalf of the Class

Date: _____

Larry Whitehead, Individually and on behalf of the Class

Date: _____

Stewart Cooke III

Stewart Cooke III, as Special Representative of the
Estate of Stewart Cooke

Date: 05 / 08 / 2023

C. Philip Curley, Class Counsel, on behalf of the Class

Date: _____

Retirement Plan for Chicago Transit Authority Employees

By: _____
Keith Hill, Chairman of the Board of Trustees of
the Retirement Plan for Chicago Transit Authority
Employees

Date: _____

Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees

By: _____
Keith Hill, Chairman of the Board of Trustees of
the Retirement Plan for Chicago Transit Authority
Employees

Date: _____

Retiree Health Care Trust

By: _____
Keith Hill, Chairman of the Board of Trustees of
the Retiree Health Care Trust

Date: _____

Jerry Williams, Individually and on behalf of the Class

Date: _____

Larry Whitehead, Individually and on behalf of the Class

Date: _____

Stewart Cooke III, as Special Representative of the
Estate of Stewart Cooke

Date: _____

C. Philip Curley, Class Counsel, on behalf of the Class

Date: _____

Retirement Plan for Chicago Transit Authority Employees

By: Keith Hill
Keith Hill, Chairman of the Board of Trustees of
the Retirement Plan for Chicago Transit Authority
Employees

Date: 17 May 2023

Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees

By: Keith Hill
Keith Hill, Chairman of the Board of Trustees of
the Retirement Plan for Chicago Transit Authority
Employees

Date: 17 May 2023

Retiree Health Care Trust

By: Keith Hill
Keith Hill, Chairman of the Board of Trustees of
the Retiree Health Care Trust

Date: 17 May 2023

Board of Trustees of the Retiree Health Care Trust

By: Keith Hill
Keith Hill, Chairman of the Board of Trustees of
the Retiree Health Care Trust

Date: 17 May 2023

Exhibit A

Proposed Preliminary Approval Order

Exhibit A to Settlement Agreement

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION**

Jerry Williams and Larry Whitehead,)	
Individually and on Behalf of All Others)	
Similarly Situated; and Stewart F. Cooke, III,)	
as Special Representative of the Estate of)	
Stewart Cooke,)	
)	
)	
Plaintiffs,)	
)	Case No. 11-CH-15446
v.)	Calendar 9
)	
Retirement Plan for Chicago)	
Transit Authority Employees;)	Hon. Cecilia A. Horan
Board of Trustees of the)	
Retirement Plan for Chicago)	
Transit Authority Employees;)	
Retiree Health Care Trust; and)	
Board of Trustees of the)	
Retiree Health Care Trust,)	
)	
Defendants.)	

[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT

WHEREAS, on July 7, 2020, this Court granted Plaintiffs’ Second Amended Motion for Class Certification and certified the following Class in this Litigation¹:

All Chicago Transit Authority (“CTA”) retirees who were hired on or before September 5, 2001, retired from the CTA before January 1, 2007, and were eligible for retiree health benefits on July 1, 2009 (“Class Definition”).

WHEREAS, the Court appointed Jerry Williams and Larry Whitehead as Class Representatives,² and appointed Robinson Curley P.C. as Class Counsel.

¹ Capitalized terms not otherwise defined herein are used as defined in the Settlement Agreement.

² Stewart Cooke was also appointed a Class Representative but passed away during the pendency of this case. Stewart Cooke III, as Special Representative of the Estate of Stewart Cooke, was substituted as a Plaintiff after Mr. Cooke’s death to preserve Stewart Cooke’s individual Claims. Stewart Cooke III does not serve as a Class Representative.

WHEREAS, on or before October 15, 2020, proper notice of the certification and an opportunity to opt out of the Class by a Court-ordered deadline of December 15, 2020, was provided to all individuals meeting the Class Definition. A total of six putative Class Members opted out of the Class. All other individuals meeting the Class Definition are members of the Class and bound by the orders of the Court in this Litigation.

WHEREAS, on _____, 2023, a Class Action Settlement Agreement (“Agreement”) was reached by all parties to settle this Litigation;

WHEREAS, Plaintiffs have made an unopposed application pursuant to 735 ILCS 5/2-806 for an order preliminarily approving the Settlement in accordance with the Agreement and allowing Notice of the Settlement to be disseminated to Class Members as more fully described herein;

WHEREAS, all Settling Parties have consented to the entry of this Order;

WHEREAS, the Court has read and considered: (a) Plaintiffs’ Unopposed Motion for Preliminary Approval of Settlement (“Motion”), and the papers filed and arguments made in connection therewith; and (b) the Agreement and its Exhibits attached as Exhibit 1 to the Motion;

NOW THEREFORE, IT IS HEREBY ORDERED as follows:

1. The Court hereby preliminarily approves the Agreement and the Settlement set forth therein as being fair, reasonable and adequate to Class Members, subject to further consideration at the Settlement Hearing.

2. The Settlement Hearing is hereby scheduled to be held before the Court on _____, 2023 at ____ a.m. [120 days after Notice Date], for the following purposes:

- a) To determine whether the proposed Settlement is fair, reasonable, and adequate to Class Members and should be approved by the Court;
- b) To determine whether the Judgment referenced in the Agreement should be entered and to determine whether the release by the Class of the Released Claims, as set forth in the Agreement, should be provided to the Released Persons;
- c) To determine whether the release by the Released Persons of the Released Defendants' Claims, as set forth in the Agreement, should be provided;
- d) To determine whether the proposed Plan of Distribution of the proceeds of the Settlement is fair and reasonable and should be approved by the Court;
- e) To consider Class Counsel's application for an award of attorneys' fees and expenses, including Service Awards for Class Representatives ("Fee and Expense Application"); and
- f) To rule upon such other matters as the Court may deem appropriate.

3. The Court may change the date and time of the Settlement Hearing without notice. Any change to the Settlement Hearing will be posted on the Settlement website (www.robinsoncurley.com under the tab "CTA Retiree Class Action").

4. The Court reserves the right to approve the Settlement, including, if appropriate, with such modifications as may be agreed by the Settling Parties, without further notice to the Class. The Court further reserves the right to enter its Judgment approving the Settlement and dismissing the Litigation with prejudice prior to and separately from approval of a final Plan of Distribution and final consideration of Class Counsel's Fee and Expense Application.

5. The Court approves the form, substance, procedures and requirements of the Notice of Proposed Settlement of Class Action (the "Notice") attached as Exhibit B to the

Agreement, and finds that it (a) meets the requirements of the Illinois Code of Civil Procedure and all other applicable laws and rules; (b) is the best notice practicable under the circumstances; (c) constitutes due and sufficient notice that is reasonably calculated, under the circumstances, to apprise Class Members of (i) the effect of the proposed Settlement (including the releases to be provided thereunder), (ii) the general terms of Class Counsel's Fee and Expense Application, (iii) their right to object to the proposed Settlement, and (iv) their right to appear at the Settlement Hearing; and (d) constitutes due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement. The date and time of the Settlement Hearing shall be included in the Notice.

6. The Court approves the appointment of Kroll Settlement Administration, LLC as the Claims Administrator to supervise and administer the Notice and distribution procedure in connection with the proposed Settlement. The Claims Administrator may rely on sworn statements of the Class Members and Estate Representatives in allocating and distributing the Settlement Fund.

7. Within thirty (30) calendar days of the entry of this Order (the "Notice Date"), the Claims Administrator shall cause the Notice, substantially in the form attached to the Agreement as Exhibit B, to be mailed by First-Class Mail, postage prepaid, to all putative Class Members, or their known surviving spouses, who can be identified with reasonable effort. Class Counsel shall, at least forty-two (42) calendar days prior to the Settlement Hearing, file with the Court proof, by affidavit or declaration, of the Claims Administrator's mailing of the Notice.

8. The Court approves the appointment of The Huntington National Bank as Escrow Agent. The Escrow Agent shall timely and properly file all informational and other federal, state, or local tax returns necessary or advisable with respect to the earnings on the Settlement Fund

(including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)), to cause any Taxes due and owing to be paid from the Settlement Fund, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect thereof as contemplated by the Agreement without further order of the Court.

9. Class Counsel shall submit their papers in support of final approval of the Settlement, the Agreement and its Exhibits, the Plan of Distribution, and Class Counsel's Fee and Expense Application, by no later than forty-two (42) calendar days prior to the Settlement Hearing. All replies in support of such motions shall be filed and served no later than fourteen (14) calendar days prior to the Settlement Hearing.

10. Class Members shall be bound by all determinations and judgments in the Litigation, whether favorable or unfavorable, except such Class Members who previously opted out in a timely and proper manner.

11. Any Class Member may file an objection to the Settlement, the Plan of Distribution, and/or the Fee and Expense Application. Any such objection and any supporting papers shall be filed with the Court at least thirty (30) calendar days prior to the Settlement Hearing, and also delivered by hand, overnight courier, or First-Class Mail to Class Counsel and Defendants' Counsel by that same date. Any such objection must: (a) clearly indicate the objector's name, mailing address, telephone number and email address; (b) state that the objector is objecting to the proposed Settlement, Plan of Distribution, and/or Fee and Expense Application in *Williams v. Retirement Plan*, No 11 CH 15446 (Circuit Court of Cook County, Illinois); and (c) specify the reason(s) for the objection, including any legal or factual support for such objection. In order to be considered, an objection also must be signed by the Class Member making the objection. Any Class Member wishing to be heard orally, either individually or

through counsel of their own choice, in opposition to approval of the Settlement, the Plan of Distribution, and/or the Fee and Expense Application, must so indicate in their written objection. Class Members do not need to appear at the Settlement Hearing or take any other action to participate in the Settlement. Class Counsel and Defendants' counsel shall promptly furnish each other with copies of any and all objections that come into their possession, and shall file same with the Court if the objector has not done so.

12. All proceedings in the Litigation are stayed until further order of this Court, except as may be necessary to implement the Settlement or comply with the terms of the Agreement. Pending final determination of whether the Settlement should be approved, Plaintiffs, all Class Members, and anyone claiming through or on behalf of any of them, are barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any action or other proceeding in any court of law or equity, arbitration tribunal, or administrative forum, asserting any Released Claims against any of the Released Persons.

13. The passage of title and ownership of the Settlement Fund to the Escrow Agent in accordance with the terms and obligations of the Agreement is approved.

14. The contents of the Settlement Fund held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Agreement or further order of the Court.

15. All reasonable costs incurred in locating Class Members and identifying Estate Representatives and notifying them of the Settlement, as well as in administering the Settlement, shall be paid as set forth in the Agreement.

16. If the Settlement is terminated pursuant to the Agreement or any specified condition to the Settlement set forth in the Agreement is not satisfied and Plaintiffs or Defendants elect to terminate the Settlement as provided in the Agreement, then, in any such event, the terms of the Agreement shall apply, and this Order shall be null and void and of no further force or effect, without prejudice to any party, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and each party shall be restored to their respective position in this Litigation as it existed as of March 24, 2023.

17. Neither this Order, the Agreement (whether or not approved or consummated), nor their negotiation, nor any proceedings taken pursuant to them: (i) shall be offered against any of the Released Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Released Persons with respect to the truth of any fact alleged by Plaintiffs, or the validity of any claim that was or could have been asserted, or the deficiency of any defense that has been or could have been asserted in the Litigation or in any litigation, or of any liability, negligence, fault, or other wrongdoing of any kind by any of the Released Persons (provided, however, that if the Settlement is approved by the Court, the Parties and the Released Persons and their respective counsel may refer to it to effectuate the protections from liability granted hereunder or otherwise to enforce the terms of the Settlement); (ii) shall be construed against any of the Released Persons as an admission, concession, or presumption that the consideration to be given represents the amount which could be or would have been recovered after trial; or (iii) shall be construed against the Plaintiffs or the Class to argue that any of their claims are without merit.

DATED:

Honorable Cecilia A. Horan

Exhibit B

Notice and Plan of Distribution

Exhibit B to Settlement Agreement

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION
No. 11 CH 15466
Williams, et al. v. Retirement Plan for CTA Employees, et al.

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

To: All Chicago Transit Authority (“CTA”) retirees who were hired on or before September 5, 2001, retired from the CTA before January 1, 2007, and were eligible for retiree health benefits on July 1, 2009 (“Class”).

A court authorized this Notice. This is not a solicitation from a lawyer.

**THIS NOTICE MAY AFFECT YOUR LEGAL RIGHTS AND PROVIDE YOU
POTENTIAL BENEFITS. PLEASE READ IT CAREFULLY.**

WHAT IS THE PURPOSE OF THIS NOTICE?

This Notice is being sent in connection with a class action lawsuit involving CTA retiree health benefits (the “Lawsuit”). You are receiving this Notice because records indicate you are a member of the above-defined Class (“Class Member”). The purpose of this Notice is to advise you of a proposed settlement (the “Settlement”) between the Class and Defendants, the Retirement Plan for Chicago Transit Authority Employees (“Plan”) and its Board of Trustees (together, “Plan Defendants”) and the Retiree Health Care Trust (“Trust”) and its Board of Trustees (together, “Trust Defendants”).

Your estimated Individual Settlement Amount is: \$ _____.

If the Class Member to whom this Notice is addressed is deceased, please review carefully the information on page 7 of this Notice regarding the Proof of Kinship form required to obtain a deceased Class Member’s Individual Settlement Amount.

This Notice provides important information that (a) explains this Lawsuit and the proposed Settlement, (b) instructs you on how to object to the Settlement if you wish to do so, and (c) notifies you of a hearing the Court has scheduled (“Final Settlement Hearing”) on _____ to consider whether to give final approval to the Settlement, including how the settlement funds will be distributed to Class Members. At the Final Settlement Hearing, the Court will also consider the request for fees and expenses (“Fee and Expense Application”) being made by the attorneys for the Class (“Class Counsel”), and the request for payment to the Class Representatives of additional funds to compensate them for their time and effort spent in prosecuting the Lawsuit (“Service Awards”). The full Class Action Settlement Agreement (“Settlement Agreement”) is available on the Settlement website, www.robinsoncurley.com, under the tab “CTA Retiree Class Action.” Class Counsel’s Fee and Expense Application (including the request for Class Representative Service Awards) will be available on the Settlement website upon its filing with the Court no later than _____, 2023 **[42 days before Final Settlement Hearing]**.

WHAT IS THIS LAWSUIT ABOUT?

This is a class action Lawsuit in which one or more persons known as “Class Representatives” sue on behalf of themselves and others who have similar claims. Here, the Class Representatives

Exhibit B to Settlement Agreement

are CTA retirees Jerry Williams and Larry Whitehead.¹ The Class Representatives sued Defendants, alleging they violated the Pension Protection Clause of the Illinois Constitution and breached the CTA Retirement Plan Agreement by charging the Class Members monthly premiums for health care coverage.

On July 1, 2009, the Trust began charging the Class Members monthly health care premiums and the Plan began deducting those premiums from the monthly pension checks of certain Class Members. Plaintiffs contend in the Lawsuit that Class Members are entitled to lifetime, premium-free retiree health coverage. Defendants have vigorously defended against these claims for 15 years, deny the claims in this Lawsuit, and deny that they are doing anything wrong by charging the Class Members monthly premiums or otherwise.

The Class Representatives and Defendants have reached a Settlement of all claims asserted in the Lawsuit. The Settlement has been preliminarily approved by the Court and will be the subject of a Final Settlement Hearing. The Settlement is not an admission of liability or wrongdoing by Defendants. Because you are a Class Member, you will receive benefits from the Settlement if the Court gives its final approval at the Final Settlement Hearing, and after any appeals have been resolved.

WHO IS IN THE CLASS?

The Class consists of approximately 6,358 CTA retirees. You are receiving this Notice because records maintained by Defendants establish that you meet the Class definition above and are therefore a Class Member, or you are the surviving spouse of a deceased Class Member. When notice of the Court's certification of the Class was mailed to you in October 2020, you did not elect to exclude yourself from the Class, but chose to remain a part of the Class.

If the Class Member to whom this Notice is addressed is deceased, a court-appointed estate representative, surviving spouse or relative of the deceased Class Member ("Estate Representative") may be entitled to receive the Class Member's Individual Settlement Amount by following the instructions set forth below on page ____.

WHY IS THERE A SETTLEMENT?

The Court has not decided this Lawsuit in favor of the Class or Defendants. While you may be aware that there have been various rulings by the Court throughout this litigation in favor of either the Class or Defendants, the Court never issued a final ruling resolving the claims or defenses of the parties in the Lawsuit. Instead of continuing the litigation and obtaining a final decision, both sides have agreed to a Settlement. By settling, they avoid the costs and delay of a trial and likely appeals, and settlement benefits go to the Class Members now. The Class Representatives and Class Counsel feel strongly that this Settlement is in the best interests of the Class Members, taking into account the benefits of the Settlement, the uncertain outcome and the risks of continuing to litigate this highly complex case, and the extensive delay in obtaining relief for the Class if the Lawsuit continues, even if Plaintiffs prevail.

¹ Stewart Cooke passed away during the pendency of this case and is no longer a Class Representative. His son and Estate Representative Stewart Cooke III was substituted as a Plaintiff after Mr. Cooke's death.

Exhibit B to Settlement Agreement

DOES A LAWYER REPRESENT ME IN THE LAWSUIT?

Yes. All Class Members are represented by Class Counsel Robinson Curley P.C., whose contact information is included at the end of this Notice. If you want to be represented by your own lawyer, you may hire one at your own expense but it is not necessary.

WHAT ARE THE PRINCIPAL TERMS OF THE SETTLEMENT?

The principal terms of the proposed Settlement are as follows:

- A. Settlement Fund: If the Settlement Agreement gains final approval from the Court, the Trust will pay \$80,000,000 to fully and finally settle the entire case. This is the total amount that will be paid on behalf of all Defendants to settle the case.

Before the Settlement funds are divided among the Class Members and their Estate Representatives, amounts approved by the Court will be deducted for the following:

- (a) the cost to send this Notice and distribute the settlement funds (“Notice and Administration Expenses”);
- (b) any taxes owed by the Settlement Fund;
- (c) up to 33 $\frac{1}{3}$ percent of the Settlement Fund for the attorneys’ fees of Class Counsel for their work on the case for 15 years;
- (d) reimbursement of approximately \$480,000 of costs and expenses advanced by Class Counsel in the case; and
- (e) a combined total of up to \$75,000 for Service Awards to the three Class Representatives (or their heirs) to compensate them for their substantial time and effort in prosecuting the case and making this Settlement possible.

The amount of Settlement funds remaining after the above deductions is referred to as the “Net Settlement Fund.”

- B. Settlement Payments: Each Class Member will be eligible to receive a payment from the Net Settlement Fund in accordance with the Plan of Distribution set forth below in this Notice.
- C. Release: Each Class Member will release certain claims against Defendants and their Related Parties (as defined in the Settlement Agreement). This is referred to as the “Release.” If the Settlement is approved, all Class Members will be deemed to have released any and all claims that were brought or could have been brought in the Lawsuit. This includes claims arising from the charging of premiums by the Trust for retiree health coverage both in the past and the future, subject to the anti-discrimination provision described below in Section D. If final approval is given, you may not assert any of these claims in any other lawsuit or proceeding. This includes any other lawsuit or proceeding already in progress. The final judgment order entered by the Court in this case will bind all Class Members.

Exhibit B to Settlement Agreement

The Release is effective and binding as to every Class Member who did not request exclusion from the Class in accordance with the Class Notice sent in October 2020, regardless of whether the Class Member receives and cashes a settlement payment check.

- D. Future Allowed Actions By the Plan and the Trust To Charge or Deduct Premiums: Under the terms of the Settlement Agreement, for those Class Members who elect to obtain or continue coverage from the Trust in the future, the Trust may continue to charge a monthly premium and the Plan may continue to deduct those premiums from the pension checks of retirees who pay for health care coverage through a pension deduction. The Settlement Agreement has no impact on the Trust's current (a) eligibility requirements for retiree coverage of Class Members, (b) eligibility requirements for dependents and surviving spouses of Class Members, or (c) ability to charge retirees a premium for individual retiree and/or dependent and surviving spouse health care coverage. This means the Trust may maintain or even increase the current premium levels charged to Class Members, their surviving spouses and dependents. The Settlement requires, however, that the Trust not discriminate against Class Members by imposing more stringent eligibility rules, or by charging Class Members higher premiums, deductibles, co-pays, or out-of-pocket limits for retiree, surviving spouse or dependent coverage, than it charges non-Class retirees who are similarly situated to Class Members.
- E. Dismissal of the Lawsuit: All claims in the Lawsuit will be dismissed with prejudice.

Sections A-E above provide only a general summary of the proposed Settlement. You may consult the Settlement Agreement for more information about the exact terms of the Settlement. The Settlement Agreement is available at the Settlement website, www.robinsoncurley.com under the tab "CTA Retiree Class Action," or from the Claims Administrator, whose contact information is included at the end of this notice.

HOW ARE INDIVIDUAL SETTLEMENT AMOUNTS CALCULATED?

Determination of Individual Settlement Amounts (Plan of Distribution):

Your estimated Individual Settlement Amount is set forth on the first page of this Notice. It is only an estimate because your final Individual Settlement Amount may be higher or lower depending on the full amount of the Notice and Administration Expenses incurred, the Court's rulings with respect to the Fee and Expense Application and Service Awards, and whether certain Class Members or their Estate Representatives cannot be found or fail to cash or deposit their settlement checks. Each Class Member's final Individual Settlement Amount will be determined as follows:

1. Determining Each Class Member's "Claim": The starting point for quantifying each Class Member's Individual Settlement Amount is determining the amount of each Class Member's individual "Claim."
2. Time Period for Claim Determinations: Claim amounts will be determined for the period beginning July 1, 2009, and ending on March 31, 2023 ("Claim Period").

Exhibit B to Settlement Agreement

3. Participant and Non-Participant Claims:

- a. To understand how the amount of each Class Member's Claim will be determined, there are a couple of important items to understand.
 - During the Claim Period, the premiums paid by retirees covered only approximately one-third of the actual cost of health coverage provided to retirees. In other words, even after imposing the premiums, the Trust subsidized (paid) approximately two-thirds of the cost of coverage for retirees.
 - The Class consists of some Class Members who paid premiums and obtained coverage from the Trust for the entire Claim Period, others who elected not to obtain coverage from the Trust and never paid premiums during the Claim Period, and others who paid premiums and obtained coverage during some but not all of the Claim Period.
 - For each month during the Claim Period that a Class Member paid a premium to the Trust and participated in the Trust's health plan, the Class Member is referred to as a "Participant."
 - For each month during the Claim Period that a Class Member did not pay the premium and therefore did not obtain coverage from the Trust, the Class Member is referred to as a "Non-Participant."
 - Class Members who paid premiums and obtained coverage for some but not all of the Claim Period are Participants during the months they paid premiums, and Non-Participants during the months they did not.

b. Calculation of Each Class Members' Participant Claim:

Participants paid the premiums and thereby obtained the full value of the Trust's health coverage (including the subsidized portion). Therefore, for each month during the Claim Period that a Class Member paid a premium to the Trust and participated in the Trust's health plan, the Class Member or Estate Representative will have a claim equivalent to the amount of premium paid to obtain such coverage. The total of such monthly amounts is the Class Member's "Participant Claim." Records maintained by Defendants have already been used to quantify these amounts and you need not provide any evidence to support them.

c. Calculation of Each Class Member's Non-Participant Claim:

Non-Participants declined to pay the premiums and therefore obtained none of the value of the coverage to which Plaintiffs contend they were entitled. However, Non-Participants could have paid the premiums and thereby obtained the full value of the coverage from the Trust (including the subsidized portion). Therefore, for each month during the Claim Period that a Class Member did not pay a premium to the Trust or obtain coverage under the Trust's health plan, the Class Member or Estate Representative will have a claim equivalent to the amount of premium that could have been paid by the Class Member to obtain coverage. The total of such monthly amounts is the Class Member's "Non-Participant Claim." This measure of Non-Participant Claims is supported by Class Counsel's analysis of the legal and evidentiary strengths and

Exhibit B to Settlement Agreement

weaknesses of the Non-Participant Claims, including the fact that Defendants have asserted additional legal and factual defenses to the Non-Participant Claims, and that any measure of Non-Participant Claims must rely upon actuarial assumptions and calculations, while the Participant Claims do not. Class Counsel has consulted with Milliman, a leading, worldwide actuarial firm, to determine the appropriate measure of Non-Participant Claims for this Settlement. Records maintained by Defendants have already been used to quantify the Non-Participant Claims and you need not provide any evidence to support such claims.

d. Calculation of Total Claim

The sum of each Class Member's Participant Claim and Non-Participant Claim will equal each Class Member's total Claim against the Net Settlement Fund.

4. Determining Each Class Member's Individual Settlement Amount:

The Net Settlement Fund will be divided among the Class Members based on the ratio of each Class Member's Claim to the sum of all Class Members' Claims. The amount calculated under this formula is the Class Member's Individual Settlement Amount.

By way of example, if a Class Member paid \$20,000 of premiums and obtained health coverage from the Trust for several years during the Class Period, the Class Member would have a Participant Claim of \$20,000. If in the other years during the Class Period the same Class Member did not take coverage from the Trust but could have paid \$5,000 of premiums to obtain such coverage, the Class Member would have a Non-Participant Claim of \$5,000, making the Class Member's total Claim \$25,000. If the sum of all Class Members' Claims is \$90,000,000, and the Net Settlement Fund is \$53,000,000 after all court-approved deductions, then the Class Member would be entitled to an Individual Settlement Amount of 0.02778 percent ($25,000 \div 90,000,000$, stated as a percentage) of the Net Settlement Fund, or \$14,723 ($0.0002778 \times 53,000,000$).

At the Final Settlement Hearing, the Court may approve this method of distributing the Net Settlement Fund or modify it without additional notice to the Class.

WHEN WILL I RECEIVE MY INDIVIDUAL SETTLEMENT AMOUNT?

The Court must determine that the Settlement is fair and reasonable and give final approval to the Settlement before it can go into effect. If the Settlement is approved, a final Judgment will be entered and the Claims Administrator will mail checks to the Class Members or their Estate Representatives for the Individual Settlement Amounts within 30 days after the Judgment becomes final and any appeals are resolved. If there is any appeal filed, distribution of the Individual Settlement Amounts will be delayed while the appeal is being resolved, which can take significant time, sometimes a year or longer.

WHAT HAPPENS IF THE SETTLEMENT IS NOT APPROVED?

If the Court does not approve the Settlement or the Settlement is terminated on any grounds provided in the Settlement Agreement, then the parties will be returned to their previous positions in the Lawsuit and the case will proceed as if no Settlement had occurred. If this occurs, no Individual Settlement Amounts will be distributed to Class Members.

Exhibit B to Settlement Agreement

WHAT ARE MY OPTIONS AND WHAT DO I NEED TO DO TO RECEIVE MY INDIVIDUAL SETTLEMENT AMOUNT?

Class Members have the following options in responding to this Notice:

DO NOTHING	You will receive a check for your final Individual Settlement Amount and be bound by the Settlement Agreement. You will give up the claims that are released by the Settlement Agreement.
FILE A STATEMENT IN SUPPORT OR OBJECTION	You may submit a timely written statement in support of or objection to the Settlement. If the Settlement is approved despite any objection you submit, you will remain a member of the Class and still give up your rights to bring any claims that are released by the Settlement Agreement. Class Members need not submit a statement in support of the Settlement to obtain their Individual Settlement Amount.

WHAT IF THE ADDRESS ON THIS NOTICE IS NO LONGER VALID?

If the address to which this Notice has been sent is no longer valid, the Change of Address form included with this notice must be completed, notarized and mailed to the Claims Administrator. Checks will be mailed to the same address to which this Notice was sent unless a completed Change of Address Form is sent to the Claims Administrator postmarked or received by _____, 2023 **[30 days before Settlement Hearing]**. Checks may be cashed or deposited only by the payee and not any third party. Checks not cashed or deposited within 90 days will be void and replacement checks will not be provided. If a check is lost or destroyed and a request is received by the Claims Administrator within those 90 days, a replacement check may be issued.

WHAT IF THE CLASS MEMBER IS DECEASED?

Defendants' records establish that approximately ____ Class Members are deceased as of March 31, 2023. To obtain any deceased Class Member's Individual Settlement Amount, the Estate Representative of a deceased Class Member must complete and send the Proof of Kinship Form provided with this Notice to the Claims Administrator, postmarked or received on or before _____, 2023 **[45 days before Settlement Hearing]**. An Estate Representative can be the court-appointed representative of a deceased Class Member or, if there is no court-appointed representative, the surviving spouse, children, parents, or any other properly verified next of kin of the deceased Class Member, in that order of priority.

The Proof of Kinship Form must be sworn in person before a Notary Public. If a proper Proof of Kinship Form is not submitted to the Claims Administrator, or if the Notice addressed to a deceased Class Member is returned as undeliverable to the Claims Administrator, no payment will be made from the Settlement Fund on behalf of the deceased Class Member unless, after reasonable investigation, the Claims Administrator is able to identify and locate the deceased Class Member's court-appointed representative or next of kin.

ARE THERE TAX IMPLICATIONS FOR CLASS MEMBERS?

You may receive an IRS form 1099 for your Individual Settlement Amount for each tax year in which any part of your Individual Settlement Amount is paid to you. You should consult with

Exhibit B to Settlement Agreement

your tax professional regarding whether these payments must be reported on your federal and state income tax returns and any taxes you may owe as a result of receiving your Individual Settlement Amount.

HOW CAN CLASS MEMBERS OBJECT TO THE SETTLEMENT?

You can object to the Settlement if you do not like any part of the Settlement Agreement, the Plan of Distribution, or the Fee and Expense Application, and the Court will consider your objection. Any such objection must (a) clearly indicate your name, mailing address, telephone number, and e-mail address; (b) identify what aspect(s) of the Settlement you are objecting to and the reasons for the objection, including legal support, if any; and (c) be signed by you. Any such objection must be filed with the Circuit Court of Cook County, Illinois on or before _____, 2023 **[30 days before Settlement Hearing]** and delivered by hand, overnight delivery service, or U.S. First Class Mail to Class Counsel and Defendants' counsel at the addresses listed below by that same date. You are not required to appear at the Settlement Hearing if you object to the settlement. Nevertheless, if you wish to address the Court personally during the Settlement Hearing concerning your objection, you must so indicate in your objection letter. If the Court rejects your objection, you will still be bound by the terms of the Settlement.

WHEN IS THE FINAL SETTLEMENT HEARING?

The Court will hold a hearing to decide whether to give final approval to the Settlement on _____, 2023, at _____ a.m., in the courtroom of Judge Cecilia A. Horan, Calendar 9, Circuit Court of Cook County, Illinois, Chancery Division, Room 2008, 50 West Washington Street, Chicago, Illinois. The hearing date may be changed without notice to the Class, and you should check the Settlement website at www.robinsoncurley.com under the tab "CTA Retiree Class Action" or the public court file for this Lawsuit for any updates. At the hearing, the Court will consider whether the Settlement, the Plan of Distribution, and the Fee and Expense Application are fair, reasonable, and adequate. If there are objections, the Court will consider them. You may attend but you are not required to do so. You can also speak in favor of or against the Settlement at the Settlement Hearing, but only if you have indicated your intention to do so in your written statement in support or objection. You may view the proceedings by Zoom using any one of the log-in methods below, but you may not speak or address the Court unless you have indicated your intention to do so in a timely submitted, written statement in support or objection.

Zoom Log-In Information for Settlement Hearing:

1. Direct link to hearing:
<https://circuitcourtofcookcounty.zoom.us/j/95658991093?pwd=VINvOUZxcTA2K2x4YUhEdnpMTFB1OT09>
2. Log-in through Zoom website or app:
Meeting ID: 956 5899 1093; Password: 129359
3. Telephone (audio only; also requires Meeting ID and Password identified above):
312-626-6799

Exhibit B to Settlement Agreement

IMPORTANT SETTLEMENT DATES AND DEADLINES

Objection Deadline:	(filing and receipt date)
Deadline to Submit Proof of Kinship Form:	(postmark/receipt date)
Deadline to Submit Change of Address Form:	(postmark/receipt date)
Final Approval Hearing:	

CONTACT INFORMATION FOR THE CLAIMS ADMINISTRATOR, CLASS COUNSEL, AND DEFENDANTS' COUNSEL

Claims Administrator:

Kroll Settlement Administration, LLC
[contact information to come]

Class Counsel:

C. Philip Curley
Robinson Curley PC
200 North LaSalle Street, Suite 1550
Chicago, Illinois 60601
Telephone (312) 546-5221
CTARetireeClassAction@robinsoncurley.com

Trust Defendants' Counsel:

Katheleen A. Ehrhart
Smith Gambrel & Russell LLP
311 South Wacker Drive, Suite 3000
Chicago, Illinois 60606

Plan Defendants' Counsel:

Victoria R. Collado
Burke, Warren, MacKay & Serritella P.C.
330 North Wabash Avenue, Suite 2100
Chicago, Illinois 60611

This Notice provides only a summary of the Settlement Agreement. If you would like to see a full copy of the Settlement Agreement, it is available on the Settlement website, www.robinsoncurley.com under the tab "CTA Retiree Class Action," in the public court file for this Lawsuit, or from the Claims Administrator. If you have any questions about the Settlement or this Notice, please visit the Settlement website or contact Class Counsel or the Claims Administrator.

Exhibit B to Settlement Agreement

**PLEASE DO NOT TELEPHONE OR CONTACT THE COURT, THE COURT CLERK'S
OFFICE, DEFENDANTS, OR DEFENDANTS' COUNSEL TO ASK QUESTIONS
ABOUT THE SETTLEMENT**

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION
No. 11 CH 15466
Williams, et al. v. Retirement Plan for CTA Employees, et al.

CHANGE OF ADDRESS FORM

If the address to which the Notice of Proposed Class Action Settlement (“Notice”) was sent has changed or is inaccurate, please complete this form, have it notarized, and return it to the Claims Administrator at the address on the bottom of this form by _____, 2023.

ID number (found on the first page of the Notice): _____

Name of Class Member: _____

Address to which this Notice was sent:

New or corrected mailing address to which future notices and settlement checks should be sent:

Name of person completing this form: _____

Your relationship to Class Member: _____

Your telephone number: _____

Your email address: _____

Under penalty of perjury, I certify that the address to which the Notice was sent has changed or is inaccurate, and the true and accurate address of the Class Member is stated above.

Your signature

Subscribed and sworn to before me this _____ day of _____, 2023

Notary Public

[Notary Seal]

Return this Form by U.S. First Class Mail to the Claims Administrator at the following address:

Williams v. Retirement Plan Settlement Administrator
Kroll Settlement Administration, LLC
[address]

This form must be postmarked or received by the Claims Administrator on or before _____, 2023 [30 days before *Final Settlement Hearing*]

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION
No. 11 CH 15466
Williams, et al. v. Retirement Plan for CTA Employees, et al.

PROOF OF KINSHIP FORM

If the Class Member to whom the Notice of Proposed Class Action Settlement (“Notice”) was sent is deceased, please complete this form, have it notarized, and return it to the Claims Administrator at the address on the bottom of this form by _____, 2023.

ID number (found on the first page of the Notice): _____

Name of deceased Class Member: _____

Name of person completing this form: _____

Your relationship to deceased: _____

Your mailing address:

Your telephone number: _____

Your email address: _____

Identification of Court-Appointed Representative, Surviving Spouse, or Other Living Relatives of Deceased Class Member. Complete only one of the following three sections.

1. Court-Appointed Estate Representative: The following individual was appointed by a court to represent the estate of the deceased Class Member and should receive checks for the deceased Class Member’s Individual Settlement Amount, and will distribute such amount in accordance with the deceased Class Member’s will or, if there was no will, in accordance with state law. Checks will be made out to the estate of the deceased Class Member:

Name: _____

Relationship to deceased Class Member: _____

Mailing Address:

Telephone number: _____

Email address: _____

Complete the Surviving Spouse section below only if there is no court-appointed estate representative.

2. Surviving Spouse: The following individual is the surviving spouse of the deceased Class Member to whom checks for the deceased Class Member’s Individual Settlement Amount should be sent:

Name: _____

Mailing Address:

Telephone number: _____

Email Address: _____

Complete the Other Relatives section below only if there is no court-appointed estate representative or surviving spouse.

3. Other Relatives: If there is no court-appointed estate representative or surviving spouse, identify other relatives of the deceased Class Member in the table below, following these instructions carefully:

- a. List all living children of the deceased Class Member;
- b. Only if there are no living children, list all living parents of the deceased Class Member;
- c. Only if there are no living children or parents, list all living brothers and sisters of the deceased Class Member;
- d. Only if there are no living children, parents, brothers or sisters, list all living nieces or nephews of the deceased Class Member.

The deceased Class Member's Individual Settlement Amount will be divided equally between and sent to the relatives you list below.

Name	Address	Phone	Relationship

Under penalty of perjury, I certify that the Class Member to whom this Notice was sent is deceased, and above is a true and accurate identification of the deceased Class Member's court-appointed estate representative, or if there is no court-appointed estate representative, the Class Member's surviving spouse, or if there is no surviving spouse, the Class Member's other relatives as set forth above.

Your signature

Subscribed and sworn to before me this _____ day of _____, 2023

Notary Public

[Notary Seal]

Return this Form by U.S. First Class Mail to the Claims Administrator at the following address:

Williams v. Retirement Plan Settlement Administrator
Kroll Settlement Administration, LLC
[address]

This form must be postmarked or received by the Claims Administrator on or before _____, 2023 [45 days before Final Settlement Hearing]

Exhibit C

Proposed Final Approval Order

Exhibit C to Settlement Agreement

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION**

Jerry Williams and Larry Whitehead,)	
Individually and on Behalf of All Others)	
Similarly Situated; and Stewart F. Cooke, III,)	
as Special Representative of the Estate of)	
Stewart Cooke,)	
)	
)	
Plaintiffs,)	
)	Case No. 11-CH-15446
v.)	Calendar 9
)	
Retirement Plan for Chicago)	
Transit Authority Employees;)	Hon. Cecilia A. Horan
Board of Trustees of the)	
Retirement Plan for Chicago)	
Transit Authority Employees;)	
Retiree Health Care Trust; and)	
Board of Trustees of the)	
Retiree Health Care Trust,)	
)	
Defendants.)	

[PROPOSED] FINAL ORDER AND JUDGMENT

On _____, 2023, a hearing was held before this Court pursuant to the Order Preliminarily Approving Settlement dated _____, 2023 (the “Preliminary Approval Order”), to determine: (a) whether the terms and conditions of the Class Action Settlement Agreement (“Agreement”) in this case are fair, reasonable, and adequate for the settlement of all claims asserted by Plaintiffs on behalf of the Class¹ against Defendants now pending in this Court in the above-captioned Litigation, including the release of the Released Persons, and should be approved; (b) whether judgment should be entered dismissing the Litigation with

¹ Capitalized terms not otherwise defined herein are used as defined in the Agreement and Preliminary Approval Order.

prejudice; (c) whether to approve the Plan of Distribution as a fair and reasonable method to allocate and distribute the Net Settlement Fund among the Class Members; and (d) whether, and in what amount, to award fees and expenses to Class Counsel, including Service Awards to Class Representatives. The Court having considered all matters submitted to it at the Settlement Hearing, including all properly and timely filed objections; and it appearing that Notice of the Settlement Hearing, substantially in the form approved by the Court, was mailed to all Class Members at the respective addresses set forth in the records compiled by the Claims Administrator;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Court has jurisdiction over the subject matter of this Litigation and all matters relating to the Settlement, as well as personal jurisdiction over all of the Settling Parties and the Class Members.

2. This Judgment incorporates and makes a part hereof: (a) the Agreement; and (b) the Notice.

3. On July 7, 2020, the Court certified the following Class:

All Chicago Transit Authority (“CTA”) retirees who were hired on or before September 5, 2001, retired from the CTA before January 1, 2007, and were eligible for retiree health benefits on July 1, 2009.

On or before October 15, 2020, proper notice of such certification and an opportunity to opt out of the Class by a Court-ordered deadline of December 15, 2020, was provided to the Class Members. A total of six putative Class Members listed in Exhibit 1 hereto opted out of the Class.

4. Notice of the proposed Settlement was given to all Class Members who could be identified with reasonable effort. The Court finds that the form and method of notice to the Class of the terms and conditions of the proposed Settlement: (a) were implemented in accordance with

the Preliminary Approval Order; (b) constituted the best notice practicable under the circumstances; (c) constituted notice that was reasonably calculated, under the circumstances to apprise Class Members of (i) the effect of the proposed Settlement (including the releases to be provided thereunder); (ii) Class Counsel's Fee and Expense Application; (iii) their right to object to any aspect of the Settlement, the Plan of Distribution, and/or the Fee and Expense Application; and (iv) their right to appear at the Settlement hearing; (d) constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of the Illinois Code of Civil Procedure and all other applicable laws and rules.

5. Pursuant to 735 ILCS 5/2-806, the Court hereby fully and finally approves the Settlement set forth in the Agreement in all respects (including, without limitation, the amount of the Settlement, the releases provided for therein, and the dismissal with prejudice of the claims asserted in the Litigation), and finds that the Settlement is, in all respects, fair, reasonable, adequate, and in the best interests of the Class. Subject to the terms and provisions of the Agreement and the conditions therein being satisfied, the Parties are directed to consummate the Settlement.

6. All of the claims asserted in the Litigation are hereby dismissed in their entirety with prejudice. Plaintiffs, Defendants, and the Class Members shall bear their own costs and expenses, except as otherwise expressly provided in the Agreement.

7. The terms of the Agreement and of this Judgment shall be forever binding on Plaintiffs, Defendants, and the Class Members (regardless of whether or not any individual Class Member obtains a distribution from the Net Settlement Fund), as well as their respective

successors and assigns. The Persons listed on Exhibit 1 hereto are excluded from the Class pursuant to their request and are not bound by the terms of the Agreement or this Judgment.

8. Upon entry of this Judgment, the releases set forth in the Agreement shall be in full force and effect. Plaintiffs and all Class Members, including Class Members who did not obtain any distribution from the Net Settlement Fund, are hereby permanently barred and enjoined from the assertion, institution, maintenance, prosecution, or enforcement against Defendants or any Released Persons in any state or federal court or arbitral forum, or in the court of any foreign jurisdiction, of any and all Released Claims.

9. Upon entry of this Judgment, all claims by any individual or entity for contribution or indemnity arising out of the Litigation, however such claims are denominated, shall be barred against the Released Persons.

10. The Court finds that Defendants have satisfied all financial obligations under the Agreement.

11. Except as set forth in paragraph 12 below, neither this Judgment nor the Agreement, and any discussion, negotiation, proceeding, or agreement relating to the Settlement, or any matter arising in connection with settlement discussions or negotiations, proceedings, or agreements, shall be offered or received against or to the prejudice of the Parties or their respective counsel, for any purpose other than in an action to enforce the terms of this Judgment of the Agreement, as provided in the Agreement.

12. Notwithstanding the foregoing, the Released Persons and their respective counsel may refer to or file the Agreement and/or this Judgment in any action that may be brought against them in order to support a defense, claim, or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction or any

other theory of claim preclusion or issue preclusion or similar defense or counterclaim or otherwise to enforce the terms of the Settlement.

13. The proposed Plan of Distribution and Fee and Expense Application shall be considered separately from final approval of the Settlement and such consideration in this Court shall in no way disturb or affect the finality of this Judgment. Separate orders shall be entered regarding approval of a Plan of Distribution and the Fee and Expense Application. Any post-judgment challenge or appeal relating to approval of a Plan of Distribution or the Fee and Expense Application shall in no way disturb or affect the finality of this Judgment.

14. The Court shall retain jurisdiction to supervise and adjudicate issues relating to effectuation of the Settlement, including the full and final distribution of the Settlement Amount as set forth in the Agreement.

15. Pursuant to Illinois Supreme Court Rule 304(a), the Court expressly finds that there is no just reason to delay enforcement or appeal of this final order and judgment.

DATED:

Honorable Cecilia A. Horan