

United States District Court for the Central District of California

NOTICE OF CLASS ACTION SETTLEMENT

Vaccarino v. Midland National Life Ins. Co., 11-CV-05858 CAS (MANx)

THIS NOTICE IS FOR THE OWNER OR LAST OWNER OF A BONUS 5, BONUS 10, BONUS 11, LEGACY BONUS 5, LEGACY SELECT, LEGACY BONUS 11, OR VERIDIAN PLUS DEFERRED ANNUITY PURCHASED IN CALIFORNIA FROM MIDLAND NATIONAL LIFE INSURANCE COMPANY BY A PERSON AGE 64 OR YOUNGER, OR BY A TRUSTEE, CORPORATION, OR PARTNERSHIP IF AN ANNUITANT UNDER THE POLICY WAS AGE 64 OR YOUNGER. SUCH OWNERS MAY BE ENTITLED TO BENEFITS FROM THIS CLASS ACTION SETTLEMENT.

A federal district court authorized this Notice.

This is not junk mail, an advertisement, or a solicitation from a lawyer.

The Court has not decided in favor of either side in the litigation.

The parties have agreed to a Settlement, and this is Notice to you of the Settlement and how you may be affected.

- Under the Settlement, you may be entitled to receive Settlement benefits in the form of either Surrender-Related Payments, an Annuitization Bonus, or Enhanced Annuity Payments, as described in the response to Question 11 below.
- Your legal rights are affected whether you act, or don't act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	If you do nothing, you will remain a Class Member and will be eligible for one of the three types of benefits available under the Settlement depending on the status of your Annuity.
EXCLUDE YOURSELF	If you choose to exclude yourself, you will not receive the benefits available under the Settlement. You must submit a timely written request to exclude yourself from the Settlement to the Administrator by August 8, 2014.
OBJECT	You may write to the Court about why you do not like the Settlement. Written objections must be filed with the Court and served on Class Counsel and Midland's Counsel no later than August 8, 2014. Making an objection does not exclude you from the Settlement. If the Settlement is approved, you will be subject to the Settlement and will be bound by the Release, described in response to Question 13, which means you will give up any claims you have with respect to your Annuity.
GO TO THE HEARING	If you timely object in writing to the Settlement as described in this Notice and timely send a notice of intent to appear at the Fairness Hearing to the Administrator and file the notice with the Court by August 8, 2014, you will be entitled to speak in Court about the fairness of the Settlement during the Fairness Hearing set for September 22, 2014.
APPEAR THROUGH AN ATTORNEY	If you desire, you may enter an appearance in this case through an attorney at your own expense, but you will still need to comply with the requirements for objecting to the Settlement and appearing at the Fairness Hearing.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- **This Notice is merely a summary of certain terms and provisions of the proposed Settlement.** For a complete description of the terms and provisions of the proposed Settlement, including certain exceptions, conditions, and limitations that may not be addressed herein, you should read the Settlement Agreement filed with the Court and available at www.VaccarinoSettlement.com or by calling 1-866-247-8456. Capitalized terms in this Notice have the meanings assigned in the Settlement Agreement.
- The Court in charge of this case still has to decide whether to approve the Settlement. Please be patient. Updates as to the status of the Settlement will be available from time to time at www.VaccarinoSettlement.com or by calling 1-866-247-8456.

BASIC INFORMATION

1. Why did I get this Notice package?

You are listed in the records of Midland National Life Insurance Company (“Midland”) as being either the current or the last Owner of an Annuity that is included in the Settlement. The Court directed that the parties send you this Notice because you have a right to know about a proposed Settlement of a class action lawsuit and about your options before the Court decides whether to approve the Settlement. If the Court approves it and after objections and appeals are resolved, Midland will provide the benefits as provided in the approved Settlement.

This package explains the litigation, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Central District of California, and the case is known as *Vaccarino v. Midland National Life Ins. Co.*, 11-CV-05858 CAS (MANx). Rosalie Vaccarino and David Lee Tegen, the persons who sued and have been designated to represent all members of the Class in this matter, are called the “Plaintiffs,” and the company they sued, Midland, is the “Defendant.”

2. What is this lawsuit about?

The Plaintiffs brought this lawsuit to assert claims on behalf of themselves and other persons who were age 64 years of age and younger when they purchased certain deferred Annuities issued by Midland. Plaintiffs allege that Midland made misrepresentations regarding the Annuities’ “bonus” and “growth” but failed to disclose that it shifted the cost of the bonus and high sales commissions back to purchasers through lower interest or index credits over time. Plaintiffs further alleged that Midland failed to comply with surrender charge disclosures requirements under California law, Insurance Code Section 10127.13, for a subclass of purchasers ages 60 to 64, and that the policies’ Interest Adjustment feature was “indecipherable” and amounted to an unenforceable surrender charge. Plaintiffs asserted causes of action for violation of the Unfair Competition Law (California Business & Professions Code Section 17200 *et seq.*), fraud, breach of contract, breach of the implied covenant of good faith and fair dealing, and declaratory relief.

Midland denies all of the allegations and any liability to Plaintiffs. Midland has asserted numerous legal and factual defenses to the Action. Midland contends, among other things, that its Annuity products are lawful and beneficial and provided the promised benefits to Plaintiffs.

Midland contends that Plaintiffs received adequate notice of any applicable surrender charges and Interest Adjustments. Midland also contends that its written disclosures and, in most instances, oral disclosures by independent agents, further informed Plaintiffs of any applicable surrender charges and the manner in which any Interest Adjustment would affect a surrender or partial withdrawal. Midland further contends that Plaintiffs Vaccarino and Tegen's claims are barred by the statute of limitations. Midland denies that it improperly lowers interest credits and that it failed to comply with the applicable law regarding interest crediting, premium bonuses, or agent compensation and related disclosures. Midland also denies that any claims asserted in this case may properly be adjudicated and tried on a classwide basis pursuant to Rule 23 of the Federal Rules of Civil Procedure.

3. Why is this a class action?

In a class action, one or more people, called Class Representatives (in this case Plaintiffs Rosalie Vaccarino and David Lee Tegen), sue on behalf of people who have similar claims. All these people are a Class or Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. United States District Court Judge Christina A. Snyder is in charge of this case, and, in the context of the Settlement, she has certified it as a class action.

4. Why is there a Settlement?

The Court did not decide in favor of Plaintiffs or Midland. Instead, both sides have agreed to settle the Action. The Plaintiffs and their attorneys think the Settlement is in the best interest of the Class.

WHO IS IN THE SETTLEMENT?

To see if you are included in this Settlement, you first have to determine if you are a Class Member.

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

The Settlement applies to the current or most recent Owner (or joint Owners) of an Annuity product identified in response to Question 6 below that was issued in California by Midland to a person who was 64 years old or younger (or if the owner is a trustee or non-natural person, the Annuitant was 64 years old or younger), except individuals who are excluded from the Class, as described in the response to Question 7 below, and those who choose to be excluded from the Settlement as described in the response to Question 14. The age of the youngest of joint owners or younger of joint Annuitants at issue, as applicable, will be used to determine membership in the Class.

6. Do I own an Annuity included in the Settlement?

The Annuities covered by the Settlement are fixed deferred annuities marketed under the name Bonus 5, Bonus 10, Bonus 11, Legacy Bonus 5, Legacy Select, Legacy Bonus 11, or Veridian Plus that were issued in California to at least one owner who was under age 65 at the time of issue.

For annuities purchased by non-natural persons or a trustee(s) for a trust, the age of the Annuitant (or youngest Annuitant if there are joint Annuitants) at the time of issue will be used (instead of the owner's age) to determine whether the policy qualifies as an "Annuity" for this Settlement. If you are an addressee of this Notice, Midland's records show that you are the

current or last Owner of one of these Annuities. If, however, you have a question about the application of this proposed Settlement to a particular Annuity, you may contact the Settlement Administrator. See Question 24.

7. Are there exceptions to being included?

Yes. The following Annuities are not included in the Settlement: (i) those as to which a death benefit has been provided or is in process on or before the Benefit Determination Date, (ii) those that were issued but not accepted or were returned to Midland as part of the exercise of the free-look provision in the Annuity or were otherwise rescinded on or before the Benefit Determination Date, (iii) those that were surrendered in full without incurring any Surrender Charge on or before the Benefit Determination Date, (iv) those that were Annuitized and the Annuity Payments have ceased on or before the Benefit Determination Date, (v) those as to which claims were released pursuant to settlement of prior litigation, including without limitation *Peterman, et al. v. North American Company for Life and Health Insurance, et al.*, Case No. BC357194, Superior Court of the State of California for the County of Los Angeles, or *In re Midland National Life Insurance Company Annuity Sales Practices Litigation*, MDL 07-1825, U.S. District Court for the Central District of California, or otherwise, and (vi) those as to which the rights and claims have been finally adjudicated in a court of law. In addition, Owners of Annuities that are otherwise included may elect to be excluded as described in the response to Question 14.

8. Are beneficiaries of deceased contract owners entitled to relief?

Beneficiaries of contracts terminated by death of an Owner or Annuitant prior to the Benefit Determination Date are not included in the Class and are not entitled to relief. However, spouses of deceased Owners who continued an Annuity are eligible for Settlement benefits, unless a death benefit has subsequently been paid or is in process on the Benefit Determination Date. Accordingly, spouses of deceased owners who annuitized the Annuity before the Benefit Determination Date may receive Enhanced Annuity Payments if Annuity Payments are made after the Benefit Determination Date. For Annuities that terminate by death after the Benefit Determination Date, spouses of deceased owners can Annuitize the death benefit amount and elect an Annuitization Bonus. If an Annuity was fully surrendered prior to the Benefit Determination Date, and the owner was a natural person who is deceased, or was the trustee of a trust that has terminated, or was a non-natural person that no longer exists, any benefits provided by the Settlement will be payable to the heirs or other successors in interest.

9. Does this Settlement cancel my Annuity contract?

No. No matter what you decide to do in response to this Settlement—exclude yourself, object, or do nothing—your Annuity contract will not be terminated by the Settlement and the future rights and benefits provided by your Annuity, if it is still in effect, will continue, although Claims with respect to the Annuities that relate to or arise out of facts, events, or transactions that have occurred or were in existence at any time prior to the entry of the Final Order and Judgment will be released.

10. I'm still not sure if I am included in the Class

If you are not sure whether you are included in the Settlement Class, call 1-866-247-8456.

THE SETTLEMENT BENEFITS—WHAT YOU GET

11. What benefits does the Settlement provide to Class Members?

If the Settlement is approved by the Court and you are a member of the Class and do not exclude yourself from the Settlement, you may receive one of the Settlement benefits Midland will provide, all of which are described further in Sections A, B, and C of this answer:

- (1) If your Annuity was issued to a purchaser aged 60 to 64 and there have been Surrender Charges incurred upon a partial or full surrender of your Annuity, or if your Annuity was issued to a purchaser aged 0 to 59 and the Annuity has been fully surrendered, you will receive a surrender-related payment according to the conditions and formulas set forth below in Section A.
- (2) If you have an Annuity that is active (not previously Annuitized or surrendered), you may receive the Annuitization Bonus, which provides an increase in Annuity Payments guaranteed by the Annuities, subject to certain conditions explained in Section B, below.
- (3) Those Class Members who have already annuitized their Annuity will automatically receive a 1% enhancement to each Annuity Payment made after the Benefit Determination Date, as discussed below in Subsection C.

The Settlement does not require you to Annuitize your Annuity.

Please note that the Court has not expressed any opinion regarding the taxability of any benefits received under the terms of the Settlement. Any payments to the Settlement Class may be treated and reported as taxable transactions. You should address any questions regarding taxes to your tax advisor.

A. Surrender-Related Payments

1. **Class Members Age 60 to 64 At Time Of Purchase: Surrender Charge Reduction Payment:** Any Class Member whose Annuity was issued to an owner with an age of 60 to 64 at the time of issue, and who has incurred a Surrender Charge on partial or full surrender of the Annuity on or before the Benefit Determination Date will receive a Surrender Charge Reduction Payment. Midland will provide a total of \$3,550,000 in Surrender Charge Reduction Payments to the eligible Class Members. No claim form is required. The amount of each such Class Member's Surrender Charge Reduction Payment shall be calculated as follows: a) arrive at a Refund Percentage Rate by dividing the amount of \$3.55 million by the amount of the total Net Surrender Charges incurred on or prior to the Benefits Determination Date on all Annuities with issue ages from 60 to 64 owned by Class Members; and b) multiply the Refund Percentage Rate by the Net Surrender Charges of the individual Class Member with respect to each Annuity with an issue age from 60 to 64 owned by that Class Member.

“Net Surrender Charges” is a term defined in Section II.A.25 of the Settlement Agreement and is based on surrender charges as well as adjustments to reflect positive Interest Adjustments and the impact of minimum guaranteed cash values on surrender transactions.

Based on approximate data compiled as of February 28, 2014, it is estimated that Surrender Charge Reduction Payments would have been approximately 78 cents for each dollar of Net Surrender Charges, but the actual amount to be computed as of the Benefit Determination Date may be lower based on various factors, including policyowner behavior between February 2014 and the Benefit Determination Date.

2. **Class Members Age 0 to 59 At Time Of Purchase: Enhanced Surrender Payment:** Any Class Member whose Annuity was issued to an owner with an age of 0 to 59 at the time of issue, and was fully surrendered on or before the Benefit Determination Date will receive an Enhanced Surrender Payment. Midland will provide a total of \$2,000,000 for Enhanced Surrender Payments to the eligible Class Members. The amount of each Class Member's Enhanced Surrender Payment will be calculated as follows: a) arrive at an Enhancement Percentage Rate by dividing the amount of \$2.0 million by the difference between the total amount of the Accumulation Values at the time of the full surrender and the total amount of the Surrender Charges (as provided by the Annuity without consideration of the minimum guaranteed cash value on a full surrender) applied to the full surrender transaction for all Annuities with issue ages from 0 to 59 owned by Class Members that have been fully surrendered on or prior to the Benefit Determination Date; and b) for each Annuity owned by the individual Class Member with an issue age from 0 to 59 that was fully surrendered on or before the Benefit Determination Date, multiply (i) the Enhancement Percentage Rate by (ii) the Annuity's Accumulation Value as of the date of the full surrender minus the Surrender Charge (as provided by the Annuity without consideration of the minimum cash surrender value on a full surrender) applied to the full surrender transaction.

Based on approximate data compiled as of February 28, 2014, it is estimated that Enhanced Surrender Payments would have been approximately 2.3 cents for each dollar of difference between Accumulation Values and Surrender Charges on which the calculation of Enhanced Surrender Payments are based, but the actual amount to be computed as of the Benefit Determination Date may be lower based on various factors, including policyowner behavior and mortality between February 2014 and the Benefit Determination Date.

The issue age of an Annuity issued to joint owners will be deemed 60 to 64 if at least one owner was age 60 to 64 on the issue date. For Annuities issued to non-natural persons or trustees, the issue age will be deemed 60 to 64 if at least one Annuitant was age 60 to 64 on the issue date. If the issue age for an Annuity is not 60 to 64, then for purposes of determining which benefits apply, the issue age shall be 0 to 59.

B. Annuitization Bonus

If your Annuity has not been fully surrendered on or before the Benefit Determination Date, and after the Benefit Determination Date you choose to convert your Annuity to periodic payments (called "Annuitization") for life with either a 10-year, 15-year, or 20-year certain payment period, an Annuitization Bonus will be provided with respect to that Annuity. Upon Annuitization, Midland will increase the Accumulation Value of your Active Deferred Annuity by a percentage based upon the duration of your Annuity. That increased Accumulation Value, together with the rates set forth in your Annuity for the corresponding settlement option, will be used to determine the amount of your periodic payments. No claim form is required for this relief. The applicable percentage will be determined by the duration of the Annuity, as set forth in the following table:

<u>Duration of Policy (Years)</u>	<u>Bonus Percentage</u>
Up to and including the 9 th Year	4.3
10	5.4
11	6.5
12	7.6
13	8.7
14	9.8
15	10.9
16+	12.0

C. Enhanced Annuity Payment

If a Class Member has Annuitized the Annuity on or prior to the Benefit Determination Date, then each remaining payment after the Benefit Determination Date will be increased by 1% relative to the amounts to be paid in the absence of the Settlement.

12. When will I get my Settlement benefit?

The Court will hold a hearing, called the Fairness Hearing, on September 22, 2014, to decide whether to approve the Settlement. If the Court approves the Settlement after that, there may be appeals relating to the Settlement. It is always uncertain how these appeals will be resolved, and resolving them can take time, perhaps more than a year. The Benefit Determination Date will be set within 30 days after the Settlement has been approved by the District Court and any and all appeals have been resolved and the Settlement has become effective. The Annuitization Bonus and Enhanced Annuity Payments will take effect following the Benefit Determination Date and Surrender-Related Payments will be made approximately 55 days after the Benefit Determination Date. Please be patient.

13. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means: (1) that you can't sue, continue to sue, or be part of any other lawsuit, arbitration or other legal proceeding against Midland relating in any way to the Annuities at issue in this litigation; and (2) that you release all claims for damages or other legal remedies – including any claims presently unknown to you – relating in any way to the Annuities at issue in this litigation, if they concern, relate to, or arise out of facts, events, or transactions that have occurred or are in existence at any time prior to the Final Order and Judgment. If you want to know more about this release of claims, you should review Section VIII of the Settlement Agreement which can be viewed on the website www.VaccarinoSettlement.com or requested from the Administrator as set forth in Question and Answer 24. Also, if you do not exclude yourself from the Settlement, all of the Court's orders will apply to you and legally bind you, even if you had objected to the proposed Settlement.

With respect to all Released Claims, Settlement Class Members agree that they are expressly waiving and relinquishing to the fullest extent permitted by law (i) the provisions, rights, and benefits conferred by Section 1542 of the California Civil Code, which provides:

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

and (ii) the provisions of any statute or principle of law of any state or federal jurisdiction that might otherwise be applicable, or similar, comparable or equivalent to Section 1542 of the California Civil Code.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want to be subject to the Settlement or you want to keep the right to sue or continue to sue Defendant on your own with respect to claims relating in any way to your Annuity, then you must take steps to get out of the Settlement. This is called excluding yourself – or is sometimes referred to as “opting out” of the Settlement Class.

14. How do I get out of the Settlement?

If you do not want to be part of the Settlement Class, you may exclude yourself or “opt out.” If you exclude yourself, you will not be entitled to any Settlement benefits described in this Notice, and you will not be bound by the Release. To exclude yourself from the proposed Settlement, you must submit a written request. This written request must be signed by you and must include: your name, address, social security number, the contract number(s) of the Annuity or Annuities at issue, and a statement that you are requesting exclusion from the Settlement Class in *Vaccarino v. Midland National Life Insurance Company*, Case No. 11-CV-05858. You must **mail** your signed request for exclusion in care of the Settlement Administrator at the following address:

Vaccarino v. Midland National Life Ins. Co.
Settlement Administrator
P.O. Box 43271
Providence, RI 02940-3271

THE ENVELOPE CONTAINING YOUR SIGNED REQUEST FOR EXCLUSION MUST BE POSTMARKED BY NO LATER THAN AUGUST 8, 2014.

You cannot exclude yourself on the phone or by e-mail. If your signed request for exclusion is not mailed with a postmark on or before August 8, 2014, it will be ineffective and you will be part of the Settlement Class and bound by all orders and judgments entered in connection with the Settlement, including the Release and Waiver. If you are the Owner of more than one Annuity subject to the Settlement and you exclude yourself with respect to any such Annuity, you must exclude yourself with respect to all such Annuities.

15. If I don't exclude myself, can I sue Midland for the same thing later?

No. Unless you exclude yourself, you give up the right to sue Midland for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that lawsuit about this Notice immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is August 8, 2014.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

Yes. The Court appointed the following law firms to represent the Settlement Class: Gianelli & Morris and the Law Offices of Ronald A. Marron. Together the law firms are called Class Counsel. You will not be charged for the services of these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

No later than July 18, 2014, Class Counsel will file with the Court their petition for approval of an award of attorneys' fees of up to \$5,850,000 and costs of up to \$622,000. The Court may award less than these amounts. Midland will separately pay the attorneys' fees and expenses, up to \$5,850,000 and \$622,000, respectively, that the Court awards. Midland has agreed not to oppose a request for attorneys' fees and expenses up to such amounts. These payments will not affect the benefits available to Settlement Class Members. Class Counsel will file this fee petition three weeks prior to the deadline for filing objections to the Settlement Agreement.

18. What payments will be made to the Class Representatives?

Class Counsel will ask the Court to award the Class Representatives Rosalie Vaccarino and David Lee Tegen a total of no more than \$30,000 (\$15,000 for each Class Representative) as service awards. Midland will separately pay the service awards, up to \$30,000, that the Court awards. Midland has agreed not to oppose a request for service awards up to \$30,000 total. These payments will not affect the benefits available to Settlement Class Members. Class Counsel will file this request three weeks prior to the deadline for objections to the Settlement Agreement.

19. Who will pay the Settlement Administrator?

Midland will pay the costs and fees of the Settlement Administrator, which will not be deducted from the benefits available to Settlement Class Members.

OBJECTING TO THE SETTLEMENT

20. How can I tell the Court I do not like the Settlement?

If you are a Settlement Class Member, you can object to the Settlement if you do not like any part of it. The Court will consider your views in connection with the Fairness Hearing described below. To object, you must file your objection in writing, saying that you object to the proposed Settlement. You may not object if you excluded yourself from the Settlement.

If you wish to object to the proposed Settlement, you must file your written objection with the Court, and mail a copy to Class Counsel and Defendant's Counsel at the addresses listed below. If you are not represented by counsel, the filing may be made in paper form rather than electronically by delivering it to the Clerk of the Court of the Honorable Christina A. Snyder, Courtroom 5 (2nd Floor), 312 N. Spring Street, Los Angeles, California 90012. The objection must be in writing and must be filed with the Court and served on Parties' counsel no later than August 8, 2014. An objection that is not timely and properly made shall be forever barred.

All objections must contain the following: (i) the objecting party's name, address, telephone number, social security number, and Annuity number(s); (ii) the factual basis and legal grounds for the objection; (iii) any evidence or other information the objecting party wishes to offer in support of the objection; and (iv) the signature of the individual who is objecting.

If the Class Member intends to appear and be heard at the Fairness Hearing, either in person or through counsel, the notice of objection must include: (i) a written notice of the Class Member's or the Class Member's counsel's intent to appear at the Fairness Hearing; (ii) a detailed statement of the Class Member's objections to any matter before the Court; (iii) the grounds or reasons why the Class Member wishes to appear and to be heard, either in person or through

counsel; (iv) any documents and writings that the Class Member wishes the Court to consider; and (v) a statement of any prior class settlement objections made by such Class Member and any fee arrangements made with an attorney regarding any objections, including the objection to this Settlement.

Class Counsel

Robert S. Gianelli
Gianelli & Morris
550 South Hope St., Suite 1645
Los Angeles, CA 90071

Midland's Counsel

Robert D. Phillips, Jr.
Reed Smith LLP
355 S. Grand Avenue, Suite 2900
Los Angeles, CA 90071

21. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Settlement Class. If you object, you will remain in the Settlement Class and will be bound by the Settlement, even if the Court disagrees with you and approves the Settlement over your objection. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

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

The Court will hold a Fairness Hearing at 10:00 a.m. on September 22, 2014 (or such continued dates or times as the Court may direct without further notice to the Class) in Courtroom 5, Second Floor, located at 312 North Spring Street, Los Angeles, California 90012. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court may listen to people who, prior to the hearing, have asked to speak at the hearing. The Court will also decide how much to pay Class Counsel and whether to approve the service awards to the Class Representatives. After the hearing, the Court will issue its decision on the matters addressed at the Fairness Hearing. We do not know when that decision will be made.

23. Do I have to come to the Fairness Hearing?

No. Class Counsel will answer questions that the Court may have. You are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not required that you or your lawyer attend.

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must do two things: First, you must object to the Settlement in accordance with the procedures described above in the response to Question 20. Second, you must file a Notice of Intention to Appear at the Fairness Hearing with the Court. If you are not represented by counsel, you may file by delivering the Notice to the Clerk of the Court of the Honorable Christina A. Snyder, Courtroom 5 (2nd Floor), 312 N. Spring Street, Los Angeles, California 90012. You must also deliver a copy of the Notice to each of the Parties' counsel at the addresses listed above under Question 20. The Notice of Intention to Appear must be in writing and must contain the information specified in the response to Question 20 and must be filed and served on Parties' counsel no later than August 8, 2014. Be sure to include your name, address, telephone number, and your signature on your Notice of Intention to Appear. You cannot speak at the hearing if you do not follow these procedures or if you excluded yourself.

GETTING MORE INFORMATION

24. How do I get more information about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement or Class Counsel's petition for approval of fees and costs, once the petition is filed, by visiting the Settlement website at www.VaccarinoSettlement.com, by writing to the Vaccarino v. Midland National Life Ins. Co. Settlement Administrator, P.O. Box 43271, Providence, RI 02940-3271, or by calling 1-866-247-8456.

IMPORTANT DATES

25. What are the important dates and deadlines relating to the Settlement?

Deadline	Event
July 18, 2014	Class Counsel will file a petition for approval of an award of attorneys' fees and costs and request for service awards for Class Representatives
August 8, 2014	Last day to submit a request for exclusion from the proposed Settlement
August 8, 2014	Last day to file and serve Class Counsel and Midland's Counsel with objections to the proposed Settlement
August 8, 2014	Last day to file Notice of Intent to Appear
September 22, 2014	Fairness Hearing

Dated: June 24, 2014

/s/ Christina A Snyder
Honorable Christina A Snyder