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Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT

FOR THE NORTHERN MARIANA ISLANDS

BETTY JOHNSON on behalf of herself,	)	CIVIL CASE NO. 09-00023
and as a representative of a class of	)	
similarly-situated persons,	)	ORDER PRELIMINARILY APPROVING
	)	CLASS ACTION SETTLEMENT; EXHIBIT
	)	1 WITH ATTACHED EXHIBITS A, B, C, D.
Plaintiff,	)	_____
	)	
vs.	)	
	)	
ELOY S. INOS, Governor of the	)	
Commonwealth of the Northern Mariana	)	
Islands ("CNMI"); ADELINA C.	)	
ROBERTO, Fund Trustee and Vice	)	
Chairwoman; NACRINA BARINAS, Fund	)	
Trustee; RICHARD S. VILLAGOMEZ,	)	

EXHIBIT C

Fund Administrator; LARISSA LARSON, )  
Acting Secretary of the CNMI Finance )  
Department; CNMI GOVERNMENT; )  
NORTHERN MARIANA ISLANDS )  
RETIREMENT FUND; NORTHERN )  
MARIANA ISLANDS RETIREMENT )  
FUND BOARD OF TRUSTEES; CNMI )  
DEPARTMENT OF FINANCE; CNMI )  
DOES 1-95 in their official and personal )  
capacities: )  
) )  
Defendants. )  
\_\_\_\_\_ )

**[PROPOSED] ORDER PRELIMINARILY APPROVING CLASS ACTION  
SETTLEMENT**

**WHEREAS**, a putative class action is pending in this Court; and

**WHEREAS**, Plaintiff has made a motion, pursuant to Federal Rule of Civil Procedure 23, for an order preliminarily approving the settlement of this Action, in accordance with the Stipulation and Agreement of Settlement dated August 5, 2013 (the “Agreement”), which, together with the Exhibits attached thereto, sets forth the terms and conditions for a proposed settlement of this Action; and

**WHEREAS**, as a condition of the Agreement, Plaintiff, on behalf of herself individually and on behalf of each of the Settlement Class Members, has agreed to redefine their rights to benefits from the Northern Mariana retirement Fund (“CNMI Fund”) into their rights to retirement benefits from the CNMI as defined by the Agreement; and

**WHEREAS**, the District Court having read and considered Plaintiff’s Motion, the Agreement and the Exhibits attached thereto, as well as all arguments and submissions from the Parties at the noticed hearings,

**NOW, THEREFORE, IT IS HEREBY ORDERED:**

This Preliminary Approval Order incorporates the Agreement as an integral part of this

Order, and all terms used herein shall have the same meanings as set forth in the Agreement which is attached hereto as Exhibit 1.

The District Court has subject matter and personal jurisdiction over the parties, including all Settlement Class Members.

Pursuant to Federal Rule of Civil Procedure Rule 23 (b) (3), the District Court certifies, solely for purposes of effectuating the settlement, the Settlement Class as follows:

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

Excluded from the Settlement Class are those persons who opt out of the Settlement Class pursuant to the procedure set forth below in Paragraph 21.0 of the Agreement.

The District Court preliminarily approves the Agreement as being fair, reasonable and adequate and within the range of possible approval, subject to further consideration at the Final Fairness Hearing.

The District Court preliminarily finds that Plaintiff fairly and adequately represents the interests of the Settlement Class and therefore designates Plaintiff as the representative of the Settlement Class.

Pursuant to Federal Rule of Civil Procedure 23 (g), and after consideration of the factors described therein and oral and written arguments, the District Court designates Bronster Hoshibata a Law Corporation, Bruce Jorgensen, and Stephen Woodruff as Class Counsel. The District Court preliminarily finds that based on the work Class Counsel has done in identifying, investigating and prosecuting the claims in the action, Class Counsel's experience in handling class actions, other complex litigation, and claims of the type asserted in this action, counsel's

knowledge of the applicable law and the resources counsel have and will commit to representing the class, Class Counsel have and will fairly and adequately represent the interests of the Settlement Class. The District Court authorizes Plaintiff and Class Counsel to enter into the Agreement on behalf of the Settlement Class, and to bind them all to the duties and obligations contained therein, subject to final approval by the District Court of the settlement. Plaintiff and Class Counsel, on behalf of the Settlement Class, are authorized to take all appropriate action required or permitted to be taken by the Settlement Class pursuant to the Agreement to effectuate its terms.

The District Court preliminarily finds, solely for purposes of the settlement, that this action may be maintained as a class action on behalf of the Settlement Class because: (a) the Settlement Class is so numerous that joinder of all Settlement Class Members in this action is impracticable; (b) there are questions of law and fact common to Settlement Class Members that predominate over any individual questions; (c) Plaintiff's claims are typical of the claims of the Settlement Class; (d) Plaintiff and Class Counsel have fairly and adequately represented and protected the interests of the Settlement Class; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

The Final Fairness Hearing shall take place before the Honorable Frances Tydingco-Gatewood on September \_\_\_\_, 2013 at \_\_\_\_ a.m./p.m. at the United States District Court for the Northern Mariana Islands, 2nd Floor, Horiguchi Building, 123 Kopa Di Oru Street, Beach Road, Garapan, Saipan, MP 96950 to determine: whether the proposed settlement of this action on the terms and conditions provided for in the Agreement is fair, adequate and reasonable as to the Settlement Class Members and should be approved; whether the Judgment, as and when provided for in the Agreement, should be entered; and the amount of fees and costs that should

be awarded to Class Counsel, and the amount of the service award to Plaintiff, as provided for in the Agreement.

The District Court approves the form and content of the Notice (attached to the Agreement as Exhibit B) and approves dissemination of the Notices by mail to each Settlement Class Member's last known address, by publication and by posting online at the CNMI Fund's website as provided in paragraphs 18.0 and 19.0 of the Agreement. The District Court therefore preliminarily finds that the notice program as provided for in the Agreement is the only notice required, and that such Class Notice satisfies the requirements of Due Process, the Federal Rules of Civil Procedure and any other applicable laws, and constitutes the best notice practicable under the circumstances and shall constitute due and sufficient notice to all persons entitled thereto.

All Settlement Class Members who do not request exclusion ("opt out") from the settlement pursuant to the procedure described in Paragraph 21.0 below shall be bound by all determinations and judgments in this Action concerning the settlement, including, but not limited to, the validity, binding nature and effectiveness of the Agreement.

Any Settlement Class Member who wishes to opt out of the Settlement Class must timely submit a valid request for exclusion to the Trustee Ad Litem of the CNMI Fund at P.O. Box 501247, Saipan, MP 96950. To be valid, requests for exclusion must be in writing, must clearly identify the person requesting exclusion by including their name, address and date of birth, must be signed by the person requesting exclusion (or someone with the legal authority to act for the person requesting exclusion with documentation showing such authority), must be on a separate piece of paper from any other person's request for exclusion, and must be delivered to the CNMI Fund on or before September 20, 2013. The person requesting exclusion must insure actual

delivery to the CNMI Fund on or before September 20, 2013, and it shall not be sufficient to show that the request for exclusion was postmarked, mailed or otherwise sent before that date. No Settlement Class Member, or any person acting on behalf of or in concert or participation with that Settlement Class Member, may exclude any other Settlement Class Member from the Settlement Class. No lawyer or putative class representative may validly request exclusion on behalf of a class, putative class, or group of clients.

Any Class Member who timely requests exclusion shall not be a Member of the Settlement Class and shall not be entitled to any benefits from the Settlement Fund. Requests for exclusion are irrevocable and no person who requests exclusion may later become a Member of the Settlement Class or have any rights under the Agreement. Class Counsel, the Trustee and the Settlement Fund shall have no duties whatsoever to any person who requests exclusion.

Any Settlement Class Member who does not request exclusion may appear and show cause if he or she has any reason why the proposed settlement of this action should not be approved as fair, adequate and reasonable, why the Judgment should or should not be entered, why attorneys' fees and costs should or should not be awarded to Class Counsel, or why a service award to Plaintiff should or should not be allowed; provided, however, that no Settlement Class Member shall be heard, and no objection may be considered, unless it:

- (a) includes the objector's name, address and telephone number; a sentence confirming, under penalty of perjury, that the objector authorized the objection and that he or she is a Settlement Class Member; the factual basis and legal grounds for the objection to the settlement; the identity of witnesses whom they may call to testify at the Final Fairness Hearing; and copies of exhibits they intend to offer into evidence at the Final Fairness Hearing;

- (b) is filed with the District Court by September 16, 2013;
- (c) is mailed to each of the following and postmarked by the last day to file the objection:

Class Counsel

Robert Hatch  
Bronster Hoshibata  
1003 Bishop Street, Suite 2300  
Honolulu HI 96813 USA

Counsel for the CNMI

Reena Patel  
Office of the Attorney General  
Caller Box 10007, Capital Hill  
Saipan, Northern Mariana Islands 96950 USA

The TAL

Joseph C. Razzano  
Civille and Tang, PLLC  
330 Hernan Cortez Ave., Ste. 200  
Hagatna Guam 96910, USA

- d) Or, you can appear at the Hearing scheduled by the Court and request to be heard on your Objection.

Any Settlement Class Member who does not make his or her objection within the time and manner set forth above shall be deemed to have waived such objection and shall be foreclosed forever from making any objection to the fairness, adequacy or reasonableness of the proposed Settlement, to the award of attorneys' fees and expenses to Class Counsel, and to the incentive award to Plaintiff.

All proceedings in this Action and in Case No. 1:13-CV-00006 are stayed pending final approval of this settlement, except as may be necessary to implement the settlement or comply with the terms of the Agreement or to request entry of an order of stay.

Pending final determination of whether the settlement should be finally approved, Plaintiff, all Settlement Class Members, and any person or entity allegedly acting on behalf of Settlement Class Members, either directly, representatively or in any other capacity, are enjoined from commencing or prosecuting against the CNMI, or against any of the other Defendants in this Action, any action or proceeding in any court or tribunal asserting any of the Claims that have or could have been asserted in this Action by Plaintiff or the Settlement Class, provided, however, that this injunction shall not apply to individual claims of any Settlement Class Members who timely exclude themselves in a manner that complies with Paragraph 21.0 of the Agreement and the provisions in this Preliminary Approval Order. This injunction is necessary to protect and effectuate the settlement, this Preliminary Approval Order, and the District Court's flexibility and authority to effectuate this settlement and to enter judgment when appropriate, and is ordered in aid of the District Court's jurisdiction and to protect its judgments pursuant to 28 U.S.C. § 1651 (a).

The District Court reserves the right to adjourn or continue the date of the Final Fairness Hearing without further notice to Settlement Class Members, and retains jurisdiction to consider all further applications arising out of or connected with the settlement. The District Court may approve or modify the settlement without further notice to Settlement Class Members.

**IT IS SO ORDERED.**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Honorable Frances Tydingco-Gatewood  
United States District Judge