

EXHIBIT 2

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. 18-cv-01897-DDD-SKC

PHT HOLDING I LLC, on behalf of itself and
all others similarly situated,

Plaintiff,

v.

SECURITY LIFE OF DENVER INSURANCE
COMPANY,

Defendant.

JOINT STIPULATION AND SETTLEMENT AGREEMENT

IT IS HEREBY STIPULATED AND AGREED, subject to approval of the Court and pursuant to Rule 23 of the Federal Rules of Civil Procedure, by, between and among Plaintiff, individually and on behalf of the Class, and Defendant, that the cause of action and all matters raised by and related to the Strategic Accumulator Universal Life (“SAUL”) insurance policies at issue in this lawsuit, as captioned above, are hereby settled and compromised on the terms and conditions set forth in this Joint Stipulation and Settlement Agreement and the releases set forth herein.

This Agreement is made and entered into by and among Plaintiff and Defendant and is intended by the Parties to fully, finally, and forever resolve, discharge, and settle the Action with respect to the SAUL Policies and Released Claims with prejudice upon and subject to the terms and conditions hereof.

1. Definitions

Capitalized terms in the Agreement shall have the meaning set forth below:

1.1 “Action” means the lawsuit, captioned *PHT Holding I LLC v. Security Life of Denver Insurance Company*, Case No. 18-cv-01897-DDD-SKC, currently pending in the United States District Court for the District of Colorado.

1.2 “Agreement” means this Joint Stipulation and Settlement Agreement.

1.3 “Claims” means any and all claims in equity or law, however denominated or presented, including Unknown Claims, whether direct or indirect, known or unknown, foreseen or not foreseen, accrued or not yet accrued, for any injury, damage, obligation, penalty or loss whatsoever.

1.4 “Class” means the class certified by the Class Certification and Summary Judgment Order, more specifically “[a]ll owners of Strategic Accumulator Universal Life (‘SAUL’) . . . policies subjected to Security Life of Denver’s (‘SLD’) cost of insurance (‘COI’) rate increase announced in September 2015, excluding owners whose policies issued in Alaska, Arkansas, New Mexico, Virginia, and Washington, and SLD, its officers and directors, members of their immediate families, and their heirs, successors, or assigns.” *See* Class Certification and Summary Judgment Order at 19, 24.

1.5 “Class Certification and Summary Judgment Order” means the Court’s January 6, 2021 Order. (Dkt. 141).

1.6 “Class Counsel” means Susman Godfrey L.L.P., the attorneys appointed by the Court to serve as class counsel in the Class Certification Order.

1.7 “Class Counsel’s Fees and Expenses” means the amount of the award approved by the Court to be paid to Class Counsel from the Settlement Fund for attorneys’ fees and reimbursement of Class Counsel’s costs and expenses.

1.8 “Class Member(s)” means the persons and entities that are included in the Class.

1.9 “Class Notice” means the notice of the Settlement approved by the Court to be sent by the Settlement Administrator, as described in Section 4, to the Class Members.

1.10 “Class Policy” or “Class Policies” means a policy or policies in the Class.

1.11 “COI Rate Increase” means the increase on cost of insurance rates that SLD announced in September 2015.

1.12 “Class Website” means the website that the Settlement Administrator set up concerning the Action.

1.13 “COI” means cost of insurance.

1.14 “Confidential Information” means material designated as “Confidential” in accordance with the terms of the Protective Order.

1.15 “Court” means the United States District Court for the District of Colorado, Hon. Daniel D. Domenico.

1.16 “Defendant” or “SLD” means Defendant Security Life of Denver Insurance Company and its predecessor and successor entities.

1.17 “Excluded Claims” means any LD GUL Claims, any claims that relate to any policies other than SAUL Policies owned by members of the Class, any claims that could not have been asserted against SLD in the Action because they arise from a future COI rate schedule increase imposed after February 13, 2023, any claims to complete the Settlement, any challenge to any new COI rate increase that SLD imposes, any claims to enforce a death benefit, any claims to otherwise enforce the terms of a Class Policy, and any other claims that do not arise out of the identical factual predicate of the Action (i.e., the COI Rate Increase).

1.18 “Fairness Hearing” means any hearing held by the Court on any motion(s) for final approval of the Settlement for the purposes of: (i) entering the Order And Judgment; (ii) determining whether the Settlement should be approved as fair, reasonable, adequate and in the best interests of the Class Members; (iii) ruling upon an application by Class Counsel for attorneys’ fees and reimbursement of expenses and reasonable Incentive Award payments for the Plaintiff; and (iv) ruling on any other matters raised or considered.

1.19 “Final Approval Date” means the date on which the Court enters its Order And Judgment finally approving the Settlement.

1.20 “Final Class Members” means all persons and entities that are included in the Class, excluding, in the event that the Court requires a Second Opt-Out Period as a condition of approval of the Settlement, all owners of Class Policies who validly opt out of the class during the Second Opt-Out Period. For the avoidance of doubt, if the Court does not require a Second Opt-Out Period as a condition of approval of the Settlement, then the Final Class Members shall be the Class Members.

1.21 “Final Settlement Date” when referring to the Order And Judgment means exhaustion of all possible appeals other than the LD GUL Appeal, meaning: (i) if no appeal from or request for review of the Order And Judgment is filed other than the LD GUL Appeal, the day after the expiration of the time for filing or noticing any form of valid appeal from the Order And Judgment; or (ii) if an appeal or request for review other than the LD GUL Appeal is filed, the day after: (a) the date the last such appeal or request for review is dismissed; or (b) the date the Order And Judgment is upheld on appeal or review in all material respects other than concerning the LD GUL Appeal and is not subject to further review on appeal or by certiorari or otherwise other than in any respect concerning the LD GUL Appeal; provided, however, that no order of the Court or modification or reversal on appeal or any other order relating solely to the Class Counsel’s Fees and Expenses or Incentive Award shall constitute grounds for cancellation or termination of this Agreement or affect its terms, or shall affect or delay the date on which the Order And Judgment becomes final.

1.22 “Funding Date” means thirty-five (35) calendar days after the Final Approval Date.

1.23 “Incentive Award” means the amount of an award approved by the Court to be paid to Plaintiff from the Settlement Fund, in addition to any settlement relief it may be eligible to receive, to compensate Plaintiff for its efforts undertaken by it on behalf of the Class.

1.24 “LD GUL Appeal” means any appeal of the entry of final judgment as to the LD GUL Claims.

1.25 “LD GUL Claims” means any claim arising out of the COI Rate Increase imposed on the LD GUL Policies.

1.26 “LD GUL Policies” means Life Design Guarantee Universal Life policies issued by SLD.

1.27 “Mills Supplemental Report” means the Supplemental Expert Report of Robert Mills served by Plaintiff in the Action on February 6, 2023.

1.28 “Net Settlement Fund” means the Settlement Fund less: (i) Settlement Administration Expenses; (ii) any Incentive Awards; and (iii) any Class Counsel’s Fees and Expenses; and (iv) any other payments provided for under this Settlement or the Order And Judgment.

1.29 “Notice Date” means the date on which the Settlement Administrator mails the Class Notice.

1.30 “Opt-Out Policy(ies)” means any policy or policies that are validly excluded from the Class during any Second Opt-Out Period.

1.31 “Order And Judgment” means the Court’s order approving the Settlement and entering final judgment. The judgment will include a provision for the retention of the Court’s jurisdiction over the Parties to enforce the terms of the Settlement.

1.32 “Parties” means, collectively, Plaintiff and Defendant.

1.33 “Plaintiff” means PHT Holding I LLC, individually and as representative of the Class, and any of its assigns, successors-in-interest, representatives, employees, managers, partners, beneficiaries and members.

1.34 “Preliminary Approval Date” means the date on which the Court enters an order granting preliminary approval of the proposed Settlement.

1.35 “Protective Order” means the Stipulated Protective Order, entered by the Court in this Action on October 10, 2018. Dkt. 25.

1.36 “Released Claims” means all SAUL Claims asserted in the Action or arising out of the facts, transactions, events, occurrences, acts, disclosures, statements, omissions, or failures

to act that were alleged or could have been alleged in the Action related to the COI Rate Increase. Released Claims do not include Excluded Claims.

1.37 “Released Parties” means SLD and its past, present, and future parent companies, direct and indirect subsidiaries, predecessors, successors and assigns, together with each of the their respective past, present, and future officers, directors, shareholders, employees, representatives, insurers, attorneys, and agents (including but not limited to, those acting on behalf of SLD and within the scope of their agency).

1.38 “Releasing Parties” means Plaintiff and each Final Class Member, on behalf of themselves and their respective agents, heirs, relatives, representatives, attorneys, successors, trustees, subrogees, executors, assignees, and all other persons or entities acting by, through, under, or in concert with any of them.

1.39 “SAUL Claims” means any claim arising out of the COI Rate Increase as imposed on SAUL Policies.

1.40 “SAUL Policies” means Strategic Accumulator Universal Life policies issued by SLD from 2003 to March 2006.

1.41 “Second Opt-Out Period” means any additional period required by the Court, as a condition of approval of the Settlement, in which Class Members are given a second opportunity to opt out of the Class.

1.42 “Settlement” means the settlement set forth in this Agreement.

1.43 “Settlement Administration Expenses” means all Class Notice and administrative fees, costs, or expenses incurred in administering the Settlement, including those fees incurred by the Settlement Administrator. Settlement Administration Expenses shall be paid from the Settlement Fund.

1.44 “Settlement Administrator” means the third-party settlement administrator of the Settlement who is consented to by the parties. Plaintiff shall be responsible for selecting the Settlement Administrator and consent from Defendant will not be unreasonably withheld. The Parties pre-approve JND Legal Administration LLC, which the Court previously approved in its Order Approving Form and Manner of Notice (Dkt. 148 at 2) to administer Class Notice, as the Settlement Administrator.

1.45 “Settlement Fund” means a cash fund consisting of the consideration provided pursuant to Section 2.1, less any reductions provided pursuant to Section 2.2.

1.46 “Settlement Fund Account” means any escrow account designated and controlled by Class Counsel at one or more national banking institutions into which SLD shall deposit the Final Settlement Fund pursuant to this Agreement.

1.47 “Unknown Claims” means any claims asserted, that might have been asserted, or that hereafter may be asserted concerning or arising out of the facts, transactions, events, occurrences, acts, disclosures, statements, omissions, or failures to act that were alleged in the

Action with respect to the Released Claims that one or more of the Releasing Party does not know or suspect to exist in his, her or its favor at the Final Approval Date, and which if known by him, her or it might have affected his, her or its settlement with and release of the Released Party, including his, her or its decision to object to the Settlement.

1.48 The terms “he or she” and “his or her” include “it” or “its,” where applicable. Defined terms expressed in the singular also include the plural form of such term, and vice versa, where applicable.

1.49 All references herein to sections and paragraphs refer to sections and paragraphs of this Agreement, unless otherwise expressly stated in the reference.

2. Settlement Relief: Cash Consideration

2.1 Subject to Section 2.2 below, SLD shall fund the Settlement Fund by depositing \$30,000,000 into the Settlement Fund Account by the Funding Date.

2.2 The Parties agree that the deadline to opt out of the Class expired on May 21, 2021. However, in the event that, as a condition of approval of the Settlement, the Court requires a Second Opt-Out Period as a condition of approval of the Settlement, the Settlement Fund shall be reduced by multiplying the amount of the Settlement Fund (\$30,000,000) by a fraction where (1) the numerator is the total COI “overcharges” for the Class as calculated in Schedule 4 of the Mills Supplemental Report, less the combined “overcharges,” as calculated in the Mills Supplemental Report, incurred by the Opt-Out Policies; and (2) the denominator is the total COI “overcharges” for the Class as calculated in Schedule 4 of the Mills Supplemental Report. In the event that the fraction described in the preceding sentence is less than .90, then the Settlement Fund shall be multiplied by .90.

2.3 Any disputes regarding the reduction of the Settlement Fund as provided in Section 2.2 above shall be presented to the Court for a determination. For the avoidance of doubt, if an owner (such as a securities intermediary or trustee) owns multiple policies on behalf of different principals, that owner may stay in the Class as to some policies and opt out of the Class for other policies. The Parties agree that the opt-out reduction methodology set forth in Section 2.2 above is proposed solely for settlement purposes and may not be used as an admission or evidence of the validity of any damages model regarding any alleged wrongdoing by SLD.

2.4 If any appeal of the Order And Judgment (other than the LD GUL Appeal) is filed before the Funding Date, SLD may, at its option, delay funding the Settlement Fund until the entry of a final non-appealable order approving the Settlement, in which case SLD shall pay interest on the Settlement Fund for the period between the Funding Date and the date on which SLD funds the Settlement Fund Account at a rate of 3% per annum, simple interest. The filing of the LD GUL Appeal is not grounds for SLD to delay funding the Settlement Fund Account.

2.5 The Settlement Fund shall be used to pay (i) Settlement Administration Expenses; (ii) any Incentive Award; (iii) any Class Counsel’s Fees and Expenses; and (iv) all payments to Final Class Members.

2.6 The Settlement Fund, and all earnings thereon, shall be deemed to be in *custodia legis* of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall have been disbursed pursuant to the terms of this Agreement or further order of the Court.

2.7 The funds deposited in the Settlement Fund Account shall be invested in instruments, accounts, or funds backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof. Such permissible investments include investments in a United States Treasury Fund or a bank account that is either: (a) fully insured by the Federal Deposit Insurance Corporation; or (b) secured by instruments backed by the full faith and credit of the United States Government. The Parties and their respective counsel shall have no responsibility for or liability whatsoever with respect to investment decisions made for the Settlement Fund Account. All risks related to the investment of the Settlement Fund shall be borne solely by the Class.

2.8 The Parties agree that this is a non-reversionary settlement, and that after the Final Settlement Date, there will be no reversion of the Settlement Fund to SLD or any other person or entity funding the Settlement.

2.9 Neither Plaintiff nor SLD shall be liable or obligated to pay any fees, expenses, costs, or disbursements to any person in connection with the Action, this Agreement, or the Settlement, other than those expressly provided in this Agreement. For the avoidance of doubt, the Settlement Fund amount represents SLD's total and maximum contribution to this Settlement, inclusive of all relief to the Class, Class Counsel's Fees and Expenses, Incentive Awards, and Settlement Administration Fees.

3. Settlement Relief: Non-Cash Consideration

3.1 SLD agrees not to increase the COI rate schedules on the Final Class Members' SAUL Policies above the COI rate schedules that SLD adopted under the COI Rate Increase at any time prior to March 31, 2028. Plaintiff and the Class agree that SLD may continue to implement the COI Rate Increase on the SAUL Policies and further agree not to take any legal action or cause to take any legal action challenging (i) any COI rates and/or COI rate schedules for the SAUL Policies adopted under the COI Rate Increase or (ii) SLD's continued implementation of the COI Rate Increase on SAUL Policies. The covenant set forth in this paragraph shall not be interpreted to limit the scope of the Released Claims

3.2 SLD agrees to not take any legal action (including asserting as an affirmative defense or counter-claim), or cause to take any legal action, that seeks to void, rescind, cancel, have declared void, or seeks to deny coverage under or deny a death claim for any Final Settlement Class Member based on: (1) an alleged lack of valid insurable interest under any applicable law or equitable principles; or (2) any misrepresentation allegedly made on or related to the application for, or otherwise made in applying for the policy. If Defendant breaches this covenant, it shall also be liable for reasonable attorneys' fees and costs in connection with any such attempted rescission, cancellation, claim, or suit. The covenant set forth in this paragraph is solely prospective, and does not apply to any actions taken by SLD in the past. With the exception of the foregoing, nothing contained in this Agreement shall otherwise restrict SLD from: (i) following its normal procedures

and any applicable legal requirements regarding claims processing, including but not limited to confirming the death of the insured; determining the proper beneficiary to whom payment should be made in accordance with applicable laws, the terms of the policy and policy specific documents filed with SLD; and investigating and responding to competing claims for death benefits; (ii) enforcing contract terms and applicable laws with respect to misstatements regarding the age or gender of the insured; or (iii) complying with any court order, law or regulatory requirements or requests, including but not limited to, compliance with regulations relating to the Office of Foreign Asset Control, Financial Industry Regulatory Authority, and Financial Crimes Enforcement Network.

4. Approval and Class Notice

4.1 The Parties agree that Plaintiff shall move for an order seeking preliminary approval of the Settlement, which shall include a request to notify the Class of the Settlement, by March 31, 2023.

4.2 Plaintiff will, through the Settlement Administrator, notify Class Members of the Settlement by direct mailing to the last-known address of each Class Member, as recorded in SLD's administration system, as well through the Class Website. SLD shall provide all data reasonably necessary for Plaintiff to effectuate such direct mailing notice.

4.3 The mailing of a notice to any person or entity that is not in the Class shall not render such person or entity a part of the Class or otherwise entitle such person to participate in this Settlement.

4.4 If the Court requires a Second Opt-Out Period as a condition of approving the Settlement, the Class Notice shall advise Class Members of their right to opt out of the Class and the deadline to do so. To be valid, a request to opt out of the Class must be in writing and served on the Settlement Administrator no later than 45 calendar days after the Notice Date, or as otherwise determined by the Court. To be valid, a request to opt out must further (i) clearly state the Class Member's desire to opt out from the Class; (ii) identify the Policy or Policies to be excluded by policy number; and (iii) be signed by the Class Member or by a person providing a valid power of attorney to act on behalf of the Class Member.

4.5 Notwithstanding anything in this Agreement, if, in the event that the Court requires a Second Opt-Out Period as a condition of approving the settlement, the total percentage of the Class (as measured by the percentage of total amount of alleged "overcharges," as calculated in the Mills Supplemental Report) which submit timely and valid requests for exclusion from the Class during the Second Opt-Out Period, or on whose behalf timely and valid requests for such exclusion are submitted during the Second Opt-Out Period, exceeds ten percent (10%), SLD shall have the option, but not the obligation, to terminate this Agreement no later than 14 days after the opt-out period contemplated by Section 4.4 expires.

4.6 Class Members may object to this Settlement by filing a written objection with the Court and serving any such written objection on counsel for the respective Parties (as identified in the Class Notice) no later than 45 calendar days after the Notice Date, or as otherwise determined by the Court. Unless otherwise ordered by the Court, the objection must contain: (1) the full name,

address, telephone number, and email address, if any, of the Class Member; (2) Policy number; (3) a written statement of all grounds for the objection accompanied by any legal support for the objection (if any); (4) copies of any papers, briefs, or other documents upon which the objection is based; (5) a list of all persons who will be called to testify in support of the objection (if any); (6) a statement of whether the Class Member intends to appear at the Fairness Hearing; and (7) the signature of the Class Member or his/her counsel. If an objecting Class Member intends to appear at the Fairness Hearing through counsel, the written objection must also state the identity of all attorneys representing the objecting Class Member who will appear at the Settlement Hearing. Unless otherwise ordered by the Court, Class Members who do not timely make their objections as provided in this Paragraph will be deemed to have waived all objections and shall not be heard or have the right to appeal approval of the Settlement. The Class Notice shall advise Class Members of their right to object and the manner required to do so.

4.7 In connection with the motion for preliminary approval, any motion for final approval, or any other motion in which a proposed judgment in this Action is submitted, the Parties agree to propose a final judgment that expressly preserves Plaintiff's right to pursue the LD GUL Appeal.

4.8 The fact that Plaintiff may appeal the entry of final judgment with regard to the LD GUL Policies shall have no effect on the Settlement, and regardless of the pendency and outcome of the LD GUL Appeal, SLD remains obligated to fund the Settlement Fund pursuant to Section 2 of this Agreement and otherwise comply with its obligations under this Agreement.

4.9 The Parties agree that if the Court finds that the Settlement does not meet the standard for preliminary approval, the Parties will negotiate in good faith to modify the Settlement directly or with the assistance of a mediator to resolve the issue(s) to the satisfaction of the Court.

4.10 Within 10 calendar days following the filing of this Agreement with the Court, Defendant shall serve notices of the proposed Settlement upon the appropriate officials in compliance with the requirements of the Class Action Fairness Act, 28 U.S.C. § 1715.

5. Incentive Award, Fees, Expenses, and Allocation

5.1 Plaintiff will move for an Incentive Award from the Settlement Fund in an amount up to but not more than \$35,000. SLD will not oppose Plaintiff's motion for an Incentive Award. The purposes of such an award shall be to compensate Plaintiff for efforts undertaken on behalf of the Class. The Incentive Award shall be made to Plaintiff in addition to, and shall not diminish or prejudice in any way, any settlement relief which it may be eligible to receive.

5.2 Plaintiff will move for attorneys' fees not to exceed 33 1/3% of the gross benefits provided to the Final Class Members by this Settlement, and reimbursement for all expenses incurred or to be incurred, payable only from the Settlement Fund. SLD agrees not to oppose Plaintiff's motion for Class Counsel's Fees and Expenses to the extent Plaintiff's request does not exceed the amounts set forth above.

5.3 Neither Plaintiff nor Defendant shall be liable or obligated to pay any fees, expenses, costs, or disbursements to any person, either directly or indirectly, in connection with

SAUL Claims at issue in the Action, this Agreement, or the Settlement, other than those expressly provided in this Agreement.

5.4 The Parties agree that the Settlement is not conditioned on the Court's approval of Incentive Awards or Class Counsel's Fees and Expenses.

5.5 The Net Settlement Fund shall be distributed to the Final Class Members pursuant to a plan of allocation to be developed by Class Counsel and approved by the Court. SLD agrees to not oppose any such proposed plan of allocation, or such plan as may be approved by the Court, and further agrees to not take any position on any claims administration process.

5.6 Class Counsel will, in its sole discretion, allocate and distribute the fees and costs that it receives pursuant to this Settlement among Class Counsel and any and all other counsel, if applicable.

6. Releases and Waivers

6.1 Upon the Final Settlement Date, the Releasing Party shall be deemed to have, and by operation of the Order And Judgment shall have, fully, finally, and forever released, relinquished and discharged the Released Party of and from all Released Claims.

6.2 The Releasing Party expressly agrees that it shall not now or hereafter institute, maintain, assert, join, or participate in, either directly or indirectly, on their own behalf, on behalf of a class, or on behalf of any other person or entity, any action or proceeding of any kind against the Released Party asserting Released Claims.

6.3 With respect to any Released Claims under this Agreement, the Parties stipulate and agree that, upon the Final Settlement Date, the Releasing Parties shall be deemed to have, and by operation of the Order And Judgment shall have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of 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 favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

The Releasing Parties shall upon the Final Settlement Date be deemed to have, and by operation of the Order And Judgment shall have, waived any and all provisions, rights, or benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Section 1542 of the California Civil Code. The Releasing Parties may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Released Claims, but the Releasing Parties upon the Final Settlement Date, shall be deemed to have, and by operation of the Order And Judgment shall have fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or noncontingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct relating to the Released Claims that is negligent, intentional, with or without malice, or any breach

of any duty, law, or rule without regard to subsequent discovery or existence of such different or additional facts. The Parties expressly acknowledge and each other Releasing Party and Released Party by operation of law shall be deemed to have acknowledged that the inclusion of Unknown Claims among Released Claims was separately bargained for and a material element of the Settlement.

6.4 Nothing in this Release shall preclude any action to enforce the terms of this Agreement or the LD GUL Appeal.

6.5 The scope of the Released Claims or Released Party shall not be impaired in any way by the failure of any Class Member to actually receive the benefits provided for under this Agreement.

6.6 For purposes of clarification only, this Agreement shall not release Defendant from paying any future death benefits or surrender values that may be owed.

7. Tax Reporting and No Prevailing Party

7.1 Any person or entity receiving any payment or consideration pursuant to this Agreement shall alone be responsible for the reporting and payment of any federal, state and/or local income or other form of tax on any payment or consideration made pursuant to this Agreement, and Defendant shall have no obligations to report or pay any federal, state and/or local income or other form of tax on any payment or consideration made pursuant to this Agreement.

7.2 All taxes resulting from the tax liabilities of the Settlement Fund Account shall be paid solely out of the Settlement Fund.

7.3 No Party shall be deemed the prevailing party for any purposes of this Action.

8. Other Provisions

8.1 The Parties: (i) acknowledge that it is their intent to consummate this Agreement; (ii) agree to cooperate in good faith to the extent reasonably necessary to effect and implement all terms and conditions of the Agreement and to exercise their best efforts to fulfill the foregoing terms and conditions of the Agreement; and (iii) agree to cooperate in good faith to obtain preliminary and final approval of the Settlement and to finalize the Settlement.

8.2 The Parties agree that the amounts paid in the Settlement and the other terms of the Settlement were negotiated in good faith, and at arm's length by the Parties, and reflect a settlement that was reached voluntarily after consultation with competent legal counsel.

8.3 No person or entity shall have any claim against Class Counsel, the Settlement Administrator, Defendant's counsel or any of the Released Party based on actions taken substantially in accordance with the Agreement and the Settlement contained therein or further orders of the Court.

8.4 Defendant specifically and generally denies any and all liability or wrongdoing of any sort with regard to any of the Claims asserted or that could have been asserted in the Action

and makes no concessions or admissions of liability or misconduct of any sort. Neither this Agreement, nor the Settlement, nor any communications related thereto, nor any act performed or document executed pursuant to, or in furtherance of, the Agreement or the Settlement: (i) is or may be deemed to be or may be used as an admission, concession, presumption, proof or evidence of, the validity of any Claims, or of any fault, wrongdoing or liability of the Released Party, or of any damages to the Class or of any infirmity of any of Defendant's defenses; or (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault, liability, misconduct or omission of any kind whatsoever of the Released Party in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Nothing in this paragraph shall prevent Defendant and/or the Released Party from using this Agreement and Settlement or the Order And Judgment in any action that may be brought against it in order to support a defense 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.

8.5 SLD agrees to provide all data reasonably necessary for Class Counsel to effectuate the distribution of Class Notice, any plan of allocation, and distribution of payments to Final Class Members.

8.6 The Parties agree that if this Agreement or the Settlement fails to be approved, fails to become effective, otherwise fails to be consummated, is declared void, or if there is no Final Settlement Date, then the Parties will be returned to *status quo ante*, as if this Agreement had never been negotiated or executed, except that no Settlement Administration Expenses shall be recouped. Each Party will be restored to the place it was in as of the date this Agreement was signed with the right to assert in the Action any argument or defense that was available to it at that time.

8.7 Nothing in this Agreement shall change the terms of any Policy. Nothing in this Agreement shall preclude any action to enforce the terms of this Agreement.

8.8 The Parties agree, to the extent permitted by law, that all agreements made and orders entered during the course of the Action relating to confidentiality of information shall survive this Agreement. To the extent Class Counsel or the Settlement Administrator requires Confidential Information to effectuate the terms of this Agreement, the terms of the Confidentiality Order shall apply to any information necessary to effectuate the terms of this Agreement.

8.9 The Agreement may be amended or modified only by a written instrument signed by or on behalf of all Parties or their respective successors-in-interest. No waiver of any provision of this Agreement or consent to any departure by either Party therefrom shall be effective unless the same shall be in writing, signed by the Parties or their counsel, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No amendment or modification made to this Agreement pursuant to this paragraph shall require any additional notice to the Class Members, including written or publication notice, unless ordered by the Court. The Parties may provide updates on any amendments or modifications made to this Agreement on the Class Website.

8.10 Each person executing the Agreement on behalf of any party hereto hereby warrants that such person has the full authority to do so.

8.11 The 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. Furthermore, electronically-signed PDF versions or copies of original signatures may be accepted as actual signatures, and will have the same force and effect as the original. A complete set of executed counterparts shall be filed with the Court.

8.12 The Agreement shall be binding upon, and inure to the benefit of, the successors, heirs, and assigns of the Parties hereto; but this Agreement is not designed to and does not create any third-party beneficiaries either express or implied, except as to the Class Members.

8.13 The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either party. No party shall be deemed the drafter of this Agreement. The Parties acknowledge that the terms of the Agreement are contractual and are the product of negotiations between the Parties and their counsel. Each of the Parties and their respective counsel cooperated in the drafting and preparation of the Agreement. In any construction to be made of the Agreement, the Agreement shall not be construed against any Party.

8.14 Other than necessary disclosures made to the Court or the Settlement Administrator, this Agreement and all related information and communication shall be held strictly confidential by Plaintiff, Class Counsel, and their agents until such time as the Parties file this Agreement with the Court.

8.15 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Colorado, without reference to its choice-of-law or conflict-of-laws rules.

8.16 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Agreement and any discovery sought from or concerning objectors to this Agreement. All Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Agreement.

8.17 Whenever this Agreement requires or contemplates that one Party shall or may give notice to the other, notice shall be provided by e-mail and/or next-day (excluding Saturday and Sunday) express delivery service as follows:

(a) If to Defendant, then to:

Clark C. Johnson
Casey L. Hinkle
Michael T. Leigh
Burt A. (Chuck) Stinson
Kaplan Johnson Abate & Bird LLP
710 West Main Street, 4th Floor
Louisville, KY 40202
cjohnson@kaplanjohnsonlaw.com
chinkle@kaplanjohnsonlaw.com
mleigh@kaplanjohnsonlaw.com
cstinson@kaplanjohnsonlaw.com

(b) If to Plaintiff, then to:

Steven Sklaver
Michael Gervais
Lora Krsulich
SUSMAN GODFREY LLP
1900 Avenue of the Stars
Los Angeles, California 90067
ssklaver@susmangodfrey.com
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8.18 The Parties reserve the right to agree between themselves on any reasonable extensions of time that might be necessary to carry out any of the provisions of this Agreement.

8.19 All time periods set forth herein shall be computed in calendar days unless otherwise expressly provided. In computing any period of time prescribed or allowed by this Agreement or by order of any court, the day of the act, event, or default from which the designated period of time begins to run shall not be included. Each other day of the period to be computed shall be included, including the last day thereof, unless such last day is a Saturday, a Sunday, or a legal holiday, or, when the act to be done is the filing of a paper in court on a day in which the court is closed during regular business hours. In any event, the period runs until the end of the next day that is not a Saturday, a Sunday, a legal holiday, or a day on which the court is closed. When a time period is less than seven business days, intermediate Saturdays, Sundays, legal holidays, and days on which the court is closed shall be excluded from the computation. As used in this Paragraph, legal holidays include New Year's Day, Dr. Martin Luther King Jr. Day, Lincoln's Birthday, Washington's Birthday, Presidents' Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Columbus Day, Election Day, Veterans Day, Thanksgiving Day, Christmas Day and any other day appointed as a holiday by Federal law or New York Law.

Stipulated and agreed to by:

PHT Holding I LLC

DocuSigned by:
By: Andrew Plevin
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Title: Authorized Signer

Date: _____

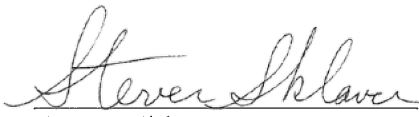
pSecurity Life of Denver Insurance Company

By: Leigh A. McKegney

Title: SVP & Chief Administrative Officer

Date: _____

APPROVED ONLY AS TO FORM



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