IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

Joanne Augst-Johnson, Nancy Reeves, Debra Shaw, Jan Tyler, Cheryl Giustiniano, Laurie Blackburn, Erna Tarantino, and Elizabeth Reinke, on behalf of themselves and all others similarly situated, Plaintiffs, v. Morgan Stanley & Co. Incorporated, formerly known as Morgan Stanley DW Inc., Defendant.	Case No. 1:06-cv-01142 (RWR) CLASS ACTION
Renee Fassbender Amochaev, Deborah Orlando, Kathryn N. Varner and Ivy So, on behalf of themselves and all others similarly situated, Plaintiffs, v. Citigroup Global Markets, Inc., d/b/a/ Smith Barney, Defendant.	Case No. C-05-1298 PJH (N.D. Cal.) CLASS ACTION

STIPULATION TO EXTEND CONSOLIDATED SETTLEMENT AGREEMENT

Counsel for the parties hereby stipulate, subject to the approval of the Court to the following terms:

1. The Consolidated Settlement Agreement shall be extended for two additional years, subject to the terms below.

2. Effective October 1, 2015 through September 30, 2017, the parties shall jointly appoint Fred Alvarez, Esq. as the diversity monitor ("Diversity Monitor" or "DM"). The

Diversity Monitor shall be external to and independent of MSSB, but will report directly to the Head of the Field for Wealth Management. The Diversity Monitor shall monitor MSSB's efforts to carry out the terms of this Extension of the Consolidated Settlement Agreement. The role of the Diversity Monitor during the Extension will be limited to the tasks set forth below:

a. review annual bonus data and information provided by the Company related to the diversity component of each Complex and Branch Manager's compensation to monitor compliance with the 2015 Managerial Diversity Compliance Program, as it exists or may be modified based on input from the Industrial Psychologists "IPs."

b. review account re-distribution data and exception reports.

c. review the participation and splits of female, African American and Latino FAs in teams within and across branches.

d. review the Partnership Dispute Reports on female FAs and will report on these to the Industrial Psychologists.

e. monitor bi-annual training of management on EEO policies, and policies against discrimination and retaliation, and ensure that the training agreed to was implemented.

f. review exception reports regarding the Financial Advisor of the Day program.

g. review the exit questionnaire responses completed by departing female, African American and Latino Financial Advisors, as well as information regarding the retention of female, Latino and African American Financial Advisors annually, and report findings of this review to Human Resources and report as part of the Diversity Monitor's Report to the Parties.

h. monitor on an annual basis the representation rates of women, Latinos and African Americans in the Financial Advisor Associate and Financial Advisor positions.

i. review the FAA selection process and the conversion rates from FAA to FA.

3. The Diversity Monitor will provide reports to Lead Class Counsel and MSSB at least semi-annually regarding the items monitored, including in this Section and including the analysis of the account re-distribution system. The Diversity Monitor may report incidents of potential material non-compliance with this Consolidated Settlement Agreement to Lead Class Counsel and MSSB on a more frequent basis. It is understood that the role of the Diversity Monitor shall be to evaluate and report on MSSB's progress under and compliance with its specific obligations during this extended term. While the parties share an objective of increasing diversity and enhancing the success of diverse individuals through, among other things, the continuation of the initiatives set forth herein, this extension does not require that any statistical outcome be achieved and MSSB's compliance shall not be measured by any statistical outcome.

4. Paragraph V.F.1.d. of the Consolidated Settlement Agreement shall remain in effect during the extended term.

5. The complaint reporting process and the Diversity Monitor's role in the review of individual complaints will expire on September 30, 2015.

6. The Diversity Monitor will maintain records for the term of this Consolidated Settlement Agreement and the Extension. By December 31, 2015 Cathy Pepe will transfer her records to Fred Alvarez.

7.

a. During the period October 1, 2015 to September 30, 2017, except as specified below), the role of the IPs will be extended, limited to the tasks set forth below, although MS may engage the IPs on additional matters, outside the scope of the Agreements, at any time.

(i) FAA Selection Process

(1) Continue to work with MS management in evaluating the SRT test which has been implemented as a replacement for the SIFMA Test and provide recommendations, if any, with respect to modifications of that test.

(2) Continue to develop three additional FAA selection products: the entrepreneurial assessment, a structured interview and a role playing tool.

(3) Evaluate the effectiveness of those new selection tools and make recommendations for modification and/or continued use of the tools.

(ii) Managerial Diversity Compensation – The 2015 program will be continued through 2017 subject to further minor refinements to, for example, better capture results on teaming and partnering, with results reported to the Diversity Monitor, the IPs, and the Class Counsel. The Industrial Psychologists will be available for consultation at the request of MS.

(iii) Teaming/Partnerships

Continue to provide recommendations for increasing participation of female, African American and Latino Financial Advisors in teams and partnerships, including splits between male and female partners and between white and Latino and African American partners, and dissolution of partnerships and teams.

(iv) The IPs shall report on the management leadership assessment program, to the extent continued by MSSB, to MSSB, the Diversity Monitor and Class Counsel.

(v) The IPs shall report on skills training to diverse FAAS and FAS, to the extent offered, to MSSB, the Diversity Monitor and Class Counsel.

(vi) The IPs shall report on their work to the Diversity Monitor and Class Counsel. Consistent with existing procedure under the Consolidated Settlement Agreement, the IPs shall meet with the Diversity Monitor and Class Counsel at least semi-annually. In advance of those meetings the IPs will provide MSSB with the agenda and a copy of their presentation and data to be presented. The two IPs shall coordinate their work to avoid unnecessary duplication.

b. Subject to signing an appropriate confidentiality agreement, and upon reasonable advance notice, the Diversity Monitor and the Industrial Psychologists will have reasonable access to relevant documents, data, and MSSB employees. This specifically includes data with respect to female, African American, and/or Latino Financial Advisor participation in teams or partnerships, including splits between male and female partners and white and Latino and African American partners and dissolution of partnerships and teams.

c. The Diversity Monitor will be compensated by MSSB for his remaining work on a fixed fee basis acceptable to the DM and MSSB. The Industrial Psychologists will be compensated by MSSB for their remaining work on a fixed fee basis acceptable to the IPs and MSSB.

d. If it becomes necessary to replace the Diversity Monitor or either Industrial Psychologist, the parties shall jointly select a replacement by mutual agreement.

8. Additional matters not involving the Industrial Psychologists.

a. Account Redistribution Issues

(i) Pre-Existing Client Relationships

(1) MS will initiate a pilot process which includes a prescribed dialogue between branch management and a client where an FA leaves the Firm and the branch learns that another FA has a pre-existing relationship with the household but that FA did not originate the relationship and the household has not been part of a JPN for 12+ months. The outline for such dialogue shall be open-ended and not suggest that a client select a particular FA.

(2) MS will report to class counsel no later than January 31, 2016 on the effectiveness of this process and whether it can be implemented more broadly or whether refinements should be made. If further

refinements are needed, class counsel and MS will negotiate them in good faith in to achieve a constructive solution that is reasonably crafted to maximize client retention while minimizing any risk of abuse of the pre-existing client relationship exception. `

(ii) Debit-Credit Resolution

MS agrees to further modify the debit/credit resolution process to continue to enhance the pace of resolutions, including (a) implementation of revised system logic that will provide an additional round of credit/debit resolutions per cycle, and (b) modifying the system so that a round of debit/credit resolutions precede each power ranking cycle, making the largest number of households available for the resolution process. The Diversity Monitor will continue to work with MS in evaluating additional modifications to the Account Redistribution program to reduce the existing debit and credit balances. With respect to the credits created pursuant to paragraph V.C.3.d. of the Consolidated Settlement Agreement, FAs who have, at the expiration of the extended agreement, credits which have been outstanding for two or more years, will have the option of converting those credits into supplemental contributions, in addition to such contributions as the FAs may otherwise qualify for, into their Business Development Account at the rate of $1 for each $1,000 in outstanding credits resulting from prior exceptions involving households of less than $10 million and $1 for each $2,000 in outstanding credits resulting from prior exceptions involving households of $10 million or more. To the extent the credit based Business Development funds resulting from such conversion exceed $10,000, the excess will be contributed in subsequent years, subject to a maximum of $10,000 per year. Such supplemental BDA contributions may be used towards coaching and other business development expenses, consistent with MSSB's policies and procedures.

9. Role of Management

Kara Underwood or her successor shall have primary responsibility ensuring the day to day compliance with this agreement and with respect to compliance with this agreement shall report to Shelley O'Connor or her successor who shall have ultimate responsibility ensuring that MSSB fulfills its duties in this agreement and the underlying settlement agreements.

10. Monitoring Fees

Class Counsel collectively shall be reimbursed at the rate of $150,000 per year for work completed in the extended decree monitoring.

11. Teaming/Partnerships

For one year following the expiration of the extended agreements, MSSB will continue programs implemented during the extension of the agreements related to increasing participation of female, African American and Latino Financial Advisors in teams and partnerships, including splits between male and female partners and between white and Latino and African American partners. Prior to the expiration of the agreements, the IPs will provide any recommendations they have for refinements to the program(s) and MSSB will report to Class Counsel within a reasonable period which of those refinements, if any, they intend to implement.

DATED: September 29, 2015

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