IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

H.T., et al.,	:	
Plaintiffs,	:	CIVIL ACTION
v.	:	NO. 3:09-CV-357
CIAVARELLA, et al.,	:	The Honorable A. Richard Caputo
Defendants.	:	

CONWAY, et al.,	:	
Plaintiffs,	:	CIVIL ACTION
v.	:	NO. 3:09-CV-291
CONAHAN, et al.,	:	The Honorable A. Richard Caputo
Defendants.	:	

WALLACE, et al.,	:	
Plaintiffs,	:	CIVIL ACTION
v.	:	NO. 3:09-CV-0286
POWELL, et al.,	:	The Honorable A. Richard Caputo
Defendants.	:	

HUMANIK,	:	
Plaintiff,	:	CIVIL ACTION
v.	:	NO. 3:09-CV-0630
CIAVARELLA, et al.,	:	The Honorable A. Richard Caputo
Defendants.	:	

ORDER CONDITIONALLY CERTIFYING SETTLEMENT CLASS AND PRELIMINARILY APPROVING PROPOSED SETTLEMENT

NOW, this 28th day of February, 2012, upon review and consideration of the Motion for Preliminary Approval, brief in support thereof and the attached Master Settlement Agreement ("MSA") dated December 16, 2011 and the exhibits thereto (collectively, the "Settlement Documents"), **IT IS HEREBY ORDERED** as follows:

Preliminary Approval of the Master Settlement Agreement and Conditional Certification of Settlement Classes

1. This Order incorporates by reference the definitions in the MSA on file with this Court, and all capitalized terms used herein that also appear in the MSA are intended to have the meanings set forth in the MSA.

2. The Court has jurisdiction over the Actions, each of the Parties and all members of the proposed Settlement Classes.

3. The terms of the MSA, including the exhibits, are preliminarily approved, subject to further consideration at the Settlement Hearing provided for below. The Court preliminarily finds that the settlement terms set forth in the MSA are sufficiently

within the range of reasonableness, such that notice of the Settlement in the form presented to this Court as Exhibit A to the MSA should be disseminated to all members of the proposed Settlement Classes.

4. The Court preliminarily finds for settlement purposes only, and subject to final determination at the Settlement Hearing provided for below, that the proposed Settlement Classes meet the requirements of Rule 23(b)(3) of the Federal Rules of Civil Procedure. Therefore, for purposes of settlement only, and pending Final Judicial Approval, the Court conditionally certifies the Settlement Classes, and in particular,

(1) the Juvenile Settlement Class consisting of:

> all juveniles who appeared before former Luzerne County Court of Common Pleas Judge Mark A. Ciavarella Jr. between January 1, 2003 and May 28, 2008 who were adjudicated or placed by Ciavarella; and

(2) the Parent Settlement Class consisting of:

> all parents and/or guardians of all juveniles who appeared before former Luzerne County Court of Common Pleas Judge Mark A. Ciavarella Jr. between January 1, 2003 and May 28, 2008 and who, in connection with their child's appearance: (i) made payments or had wages, social security or other entitlements garnished or withdrawn, (ii) had costs, fees, interest and/or penalties assessed against them or their child; (iii) suffered any loss of companionship and/or familial integrity.

For purposes of Fed. R. Civ. P. 23(c)(1)(B), all claims asserted in the Actions are certified for class treatment, for settlement purposes only.

5. The Court finds on a preliminary basis that the Representative Plaintiffs are proper class representatives for the Settlement Classes as their claims are typical of those of other all members of the proposed Settlement Classes and involve common questions or law and fact. Further, Representative Plaintiffs appear to have no conflicts of interest with other all members of the proposed Settlement Classes.

6. The Court finds on a preliminary basis that the law firms of Hangley Aronchick Segal Pudlin & Schiller; Caroselli, Beachler, McTiernan & Conboy, LLC; Anapol Schwartz; and Juvenile Law Center, acting as Class Counsel, are competent and experienced counsel and as such will adequately represent the interests of the all members of the proposed Settlement Classes.

7. If the MSA is terminated, the foregoing conditional certification of the Settlement Classes, appointment of Representative Plaintiffs as class representatives, and approval of Class Counsel shall be void and of no effect and the Parties to the MSA shall be returned to the status each occupied before entry of this Order.

8. Pursuant to Rule 23(e)(1) of the Federal Rules of Civil Procedure, Class Counsel and Individual Plaintiffs' Counsel shall cause the Notice to be given to the all members of the proposed Settlement Classes.

(a) The Court finds that the Mailed Notice and the Published Notice, attached to the MSA at Exhibit A, and the Settlement Hearing provide appropriate notice to the conditionally certified Settlement Classes.

(b) Class Counsel and Individual Plaintiffs' Counsel shall disseminate the Mailed Notice to the last known addresses of all individuals in the Settlement Classes.

(c) The Luzerne County Juvenile Probation Department shall, within ten (10) days of the date of this Order, provide to Class Counsel a list of the last known mailing address of each juvenile whose adjudications were vacated and/or records expunged in accordance with the Pennsylvania Supreme Court's October 29, 2009 and March 29, 2010 orders. *See In re J.V.R*., 81 M.M. 2008, Order ¶¶ 3-4 (Pa. Oct. 29, 2009) and Order, ¶ 3 (Pa. Mar. 29, 2010). The Luzerne County Juvenile Probation Department and the Domestic Relations branch of the Luzerne County Court of Common Pleas shall also promptly provide to Class Counsel its complete files for all individuals for whom Class Counsel provide signed releases.

(d) Class Counsel and Individual Plaintiffs' Counsel shall disseminate the Published Notice via publication in the *Times Leader* and the *Citizens Voice*.

(e) The dissemination of notice described above shall occur within fourteen (14) days of the date of the entry of this Order.

(f) Class Counsel and Individual Plaintiffs' Counsel shall bear the costs of notice.

9. Settlement Class Members of the conditionally approved Settlement Classes will have until the Opt-Out Deadline, or May 13, 2012 (seventy-five (75) days from the date of entry of this Preliminary Approval Order) to exclude themselves from the Juvenile Settlement Class or Parent Settlement Class. To do so, Settlement Class Members shall adhere to the provisions set forth in the Mailed Notice, the Published Notice and the Proof of Claim Form attached at Exhibits A and C to the MSA.

10. Any Settlement Class Member who does not properly and timely Opt-Out pursuant to the provisions set forth in the Mailed Notice, the Published Notice and the Proof of Claim Form attached at Exhibits A and C to the MSA, shall be included in the Juvenile Settlement Class or Parent Settlement Class and shall be bound by the MSA, regardless of whether such person participates in the Cash Settlement Fund.

11. Any Settlement Class Member who properly and timely Opts-Out pursuant to the provisions set forth in the Mailed Notice, the Published Notice and the Proof of Claim Form and intends to pursue a separate claim against the Released Parties shall be required to participate in confidential non-binding mediation with the Mericle Defendants prior to the Opt-Out Termination Deadline, which shall be ninety (90) days after the Opt-Out Deadline. Richard G. Fine of Scranton, Pennsylvania is approved as the mediator.

12. On or before May 13, 2012 (“Proof of Claim Deadline”), each Settlement Class Member who wishes to claim against the Cash Settlement Fund shall be required to submit a timely Proof of Claim, with the required documentation, as directed in the MSA and in the form attached at Exhibit C to the MSA.

13. Any Settlement Class Member who fails to file a proper and timely Proof of Claim shall forever be barred from receiving any distribution from the Cash Settlement Fund but will in all other respects be bound by the MSA if it is finally approved. Each Settlement Class Member that submits a proper and timely Proof of Claim shall be bound by the MSA if it is finally approved.

Settlement Hearing

14. Pursuant to Rule 23(e)(2) of the Federal Rules of Civil Procedure, a hearing on final settlement ("Settlement Hearing") will be held before this Court on Monday, September 10, 2012 at 10:00 a.m. EST. At the Settlement Hearing, the Court will consider the following issues: (a) the fairness, reasonableness and adequacy of the MSA; (b) whether the Settlement Classes should remain certified for settlement purposes; (c) whether the Court should approve awards of costs and attorneys' fees as described in fee applications submitted by Class Counsel; (d) whether entry of a Final Approval Order terminating the Actions should be entered; and (f) such other matters as the Court may deem necessary or appropriate.

15. All briefs and materials of any party in support of the Final Judicial Approval, as well as the fee petition and supporting papers, shall be served on the Court and all Parties at least ten calendar days prior to the Settlement Hearing.

16. Any Settlement Class Member wishing to object to the MSA must submit to the Claims Committee a letter stating that he or she objects to the MSA, together with his or her Proof of Claim Form. The letter must be sent so that it is received by the Claims Committee no later than May 12, 2012 (seventy-four (74) days after the Court

has entered the Preliminary Approval Order). Service on the Claims Committee shall be by first class mail. No later than May 13, 2012 (seventy-five (75) days after the Court has entered the Preliminary Approval Order), the Claims Committee must cause all such objections to be filed with the Court. All responses by the Parties to objections shall be filed and served by first class mail on the objecting person or his or her attorney no later than ten (10) days before the Settlement Hearing. Any Settlement Class Member who does not serve an objection as described in the Notice and this Order shall be deemed to have waived any such objection by appeal, collateral attack, or otherwise.

17. Judge Marina Corodemus (Ret.) is approved as the Special Master for Allocation Appeals, to resolve the claims of any Settlement Class Members who dispute the award made to them by the Claims Committee.

18. The parties shall utilize any necessary procedures in order to ensure that the settlement complies with Pennsylvania state law regarding settlements by minors.

19. Nothing in this Order shall be construed as, or deemed to be, evidence of an admission or concession by the Released Parties as to the validity of any claim that was or could have been asserted or as to any liability by them as to any manner set forth in this Order. Neither this Order nor the MSA nor any other Settlement-related document shall constitute any evidence of admission of liability by the Released Parties, nor shall either the MSA, this Order or any other Settlement-related document be offered in evidence or used for any other purpose in this or any other matter or proceeding except as may be necessary to consummate or enforce the MSA or the

terms of this Order, or if offered by the Released Parties in, *inter alia*, responding to any action purporting to assert Released Claims; provided, however, the Released Parties may use such documents insofar as it may be necessary or appropriate to establish the terms thereof.

IT IS SO ORDERED.

/s/ A. Richard Caputo
A. Richard Caputo
United States District Judge

Exhibit 1

MASTER SETTLEMENT AGREEMENT

dated December 16, 2011 by and among

Robert K. Mericle and Mericle Construction, Inc.,

the Representative Plaintiffs, Class Counsel and Individual Plaintiffs' Counsel

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MASTER SETTLEMENT AGREEMENT

This Master Settlement Agreement ("MSA" or "Agreement") is made and entered into as of December 14, 2011 by and among the following parties (the "Parties"):

1. The representative plaintiffs, through their counsel, as will be appointed by the Court, on behalf of themselves and each member of the putative classes, in the following actions: (a) *H.T., et al. v. Ciavarella*, pending in the United States District Court for the Middle District of Pennsylvania at Civ. Action No. 09-cv-357 (the "*H.T.* Action"); and (b) *Conway v. Conahan*, pending in the United States District Court for the Middle District of Pennsylvania at Civ. Action No. 09-cv-291 (the "*Conway* Action") (together, the "Class Actions");

2. Certain individual plaintiffs, by and through their counsel of record in *Wallace v. Powell*, pending in the United States District Court for the Middle District of Pennsylvania at Civ. Action 09-cv-286 (the "*Wallace* Action") and *Humanik v. Ciavarella*, pending in the United States District Court for the Middle District of Pennsylvania at Civ. Action 09-cv-630 (the "*Humanik* Action," and together with the *Wallace* Action, the "Individual Actions," and with the Class Actions, the "Actions"); and

3. Defendants Robert K. Mericle and Mericle Construction, Inc. (the "Mericle Defendants").

WHEREAS, the Actions were filed against Robert K. Mericle and Mericle Construction, Inc. and others;

WHEREAS, Robert K. Mericle and Mericle Construction, Inc. deny the claims asserted against them in the Actions, including all charges of liability arising out of the allegations in the Actions;

WHEREAS, Robert K. Mericle and Mericle Construction, Inc. have asserted a number of defenses to the factual allegations and legal claims in the Actions, and believe those defenses to be meritorious; nonetheless, Robert K. Mericle and Mericle Construction, Inc. have concluded that further proceedings in the Actions would be protracted and expensive, and they desire to resolve the Actions to avoid the costs of litigation;

WHEREAS, the Parties desire to fully and finally settle the Actions in the manner and upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Representative Plaintiffs (for themselves and the Settlement Class Members defined herein), individually and by and through Individual Plaintiffs' Counsel and Class Counsel, as defined herein, and by Robert K. Mericle and Mericle Construction, Inc., all intending to be legally bound hereby, that, subject to the approval of the Court, the Actions and the Released Claims, as defined herein, shall be fully and finally resolved, compromised, discharged and settled as among the Parties under the following terms and conditions:

I. Definitions

A. Proposed Settlement Classes

Solely for purposes of this Settlement and without prejudice to or abandonment of any positions taken in the Actions regarding class certification, the Parties agree to the certification of two settlement classes pursuant to Rule 23(b)(3):

1. all juveniles who appeared before former Luzerne County Court of Common Pleas Judge Mark A. Ciavarella between January 1, 2003 and May 28, 2008 who were adjudicated or placed by Ciavarella ("Juvenile Settlement Class"); and

2. all parents and/or guardians of all juveniles who appeared before former Luzerne County Court of Common Pleas Judge Mark A. Ciavarella between January 1, 2003 and May 28, 2008 and who, in connection with their child's appearance: (i) made payments or had wages, social security or other entitlements garnished or withdrawn; (ii) had costs, fees, interest and/or penalties assessed against them or their child; (iii) suffered any loss of companionship and/or familial integrity ("Parent Settlement Class").

The Juvenile Settlement Class and the Parent Settlement Class are herein collectively referred to as the "Settlement Classes." Members of the Settlement Classes shall be referred to as "Settlement Class Members."

B. Other Defined Terms

1. Actions, Individual Actions and Class Actions – the *H.T.* Action and *Conway* Action are herein collectively referred to as the "Class Actions"; the *Wallace* Action and *Humanik* Actions are herein collectively referred to as the "Individual Actions." The Individual Actions and the Class Actions are herein collectively referred to as the "Actions."

2. Cash Settlement Fund – settlement fund to be established by the Mericle Defendants that will contain the Escrow Amount and out of which Settlement Class Members will receive compensation in accordance with the Plan of Allocation and this Agreement, as further described in Paragraph II herein.

3. Class Counsel – the attorneys representing plaintiffs in the Class Actions.

4. Common Benefit Fees and Expenses – the common benefit fee award to be approved by the Court and not to exceed thirty (30) percent of the Settlement Amount and, in addition, common benefit litigation expenses, as further described in Paragraph II.B herein.

5. Conditional Class Certification – certification of the proposed Settlement Classes solely for the purposes of implementation, approval and consummation of the Settlement, as further defined in Paragraph III herein.

6. Court – the United States District Court for the Middle District of Pennsylvania and the Judge assigned to the Actions.

7. Escrow Account – the account held by the Escrow Agent which will contain the Cash Settlement Fund, further described in Paragraph II.A herein.

8. Escrow Amount – $17,750,000, the amount of money that the Mericle Defendants will transfer into the Escrow Account in the manner specified in Paragraph II.A herein.

9. Final Order and Judgment – an order of the Court fully and finally approving the Settlement and dismissing the Actions with prejudice as to the Released Parties, as further described in Paragraph VI herein.

10. Individual Plaintiffs' Counsel – the attorneys representing the plaintiffs in the Individual Actions.

11. Later Discovered Parties – any entity or person (other than a Mericle Party or a Luzerne County Party) against which or whom some or all Plaintiffs may bring a claim in any of the Actions based on evidence not currently known to Class Counsel or Individual Plaintiffs' Counsel. Class Counsel and Individual Plaintiffs' Counsel expressly certify that, as of December 14, 2011, they are aware of no evidence sufficient to justify a claim in any of the Actions against any persons or entities other than the persons and entities specifically identified in Subparagraph 17.

12. Luzerne County Parties – the County of Luzerne and all departments and instrumentalities thereof, including the Luzerne County Department of Juvenile Probation, the Luzerne County District Attorney's Office, the Luzerne County Public Defender's Office and Luzerne County Children & Youth Services, Sandra Brulo, Sam Guesto, the Luzerne County Commissioners, past and present, including without limitation Gregory Skrepenak, Todd Vonderheid, and Steven Urban, and any other current or former employees, officials or agents of the County of Luzerne, and any departments and instrumentalities thereof, all related parties, successors and assigns, and all of the aforesaids' lawyers, agents and employees.

13. Mailed Notice – notice to be mailed to members of the proposed Settlement Classes for whom last known addresses are readily available or identifiable, in a form substantially identical to Exhibit A, subject to Court approval.

14. Mericle Parties – Defendant Robert K. Mericle, his family, and their respective heirs, executors, administrators, successors, grantees and assigns, Defendant Mericle Construction, Inc., Mericle Commercial Real Estate Group Inc., Mericle Commercial Real Estate Services and all of their respective entities, affiliates, successors, assigns and related parties, and/or any other party that is, or may have ever been, owned or controlled by any of the foregoing individuals or entities, and all of the aforesaids' lawyers, agents, officers, employees and former employees.

15. Mutually Agreed-Upon Statement – the statement agreed to by the Parties attached to a letter dated herewith by and between the Parties and further described in Paragraph XII.C herein.

16. Notice – collectively, Mailed Notice and Published Notice, as they are defined in sub-paragraphs 13 and 30 of this Paragraph and as further described in Paragraph IV.A herein.

17. Non-Released Parties – PA Child Care, LLC, Western PA Child Care, LLC, Mid-Atlantic Youth Services, Inc., Consulting Innovations and Services, Inc., Gregory R. Zappala, Robert J. Powell, Powell Law Group P.C., Perseus House, Inc. d/b/a Andromeda House, Beverage Marketing of PA., Inc., Pinnacle Group of Jupiter, LLC, Vision Holdings, LLC, Mark A. Ciavarella, Jr., Michael T. Conahan, Barbara Conahan, and Cindy Ciavarella, and all of the aforesaids' lawyers, agents and employees, and subsidiary and parent organizations in their capacities as such; and, Later Discovered Parties.

18. Objection Deadline – the date by which members of the proposed Settlement Classes who object to the Settlement must submit a written statement of such objection to the Claims Committee, as further described in Paragraph IV.E herein.

19. Opt-Out – the right of members of the proposed Settlement Classes to exclude themselves from the Settlement by returning, no later than the Proof of Claim Deadline, the Proof of Claim Form indicating their Opt-Out election.

20. Opt-Out Plaintiffs – members of the proposed Settlement Classes who have properly elected to Opt-Out, as described in Paragraph IV.C.

21. Opt-Out Termination Deadline – the date which is ninety (90) days following the Opt-Out Deadline, by which the Mericle Defendants may elect to withdraw from and terminate the MSA, as further described in Paragraph VII.A herein.

22. Opt-Out Termination Period – the ninety (90) day period following the Opt-Out Deadline, as further described in Paragraph VII.A herein.

23. Opt-Out Termination Right – the Mericle Defendants' right to withdraw from and terminate the MSA as provided in Paragraph VII herein.

24. Parties – the Mericle Defendants and Plaintiffs.

25. Plaintiffs – all individual plaintiffs in the Individual Actions, and all representative plaintiffs and members of the putative classes in the Class Actions.

26. Plan of Allocation – document approved by the Court and setting forth the plan for distribution of the Cash Settlement Fund to Settlement Class Members who have timely and properly completed and returned a Proof of Claim Form indicating their participation in the Settlement.

27. Preliminary Approval Order – the order of the Court preliminarily approving Settlement and Notice procedures, as set forth in Paragraph III and substantially in the form attached hereto as Exhibit B.

28. Proof of Claim Deadline – the date by which members of the proposed Settlement Classes must return completed Proof of Claim Forms to the Claims Committee, as further described in Paragraphs IV.B and V. The Proof of Claim Deadline shall also be the "Opt-Out Deadline."

29. Proof of Claim Form – the form that eligible Settlement Class Members must submit to participate in the Settlement Amount or to elect to Opt-Out, in a form substantially identical to Exhibit C, subject to Court approval.

30. Published Notice – notice to be published in at least two newspapers of general circulation in Luzerne County in a form substantially identical to Exhibit A, subject to Court approval.

31. Released Claims – any and all claims, demands, requests for payments, requests for benefits, requests for costs or expenses, requests for attorneys' fees, requests for restitution, requests for punitive damages, requests for equitable relief or requests of any kind or nature whatsoever that have been or could have been asserted by or on behalf of any Settlement Class Member against the Released Parties, or any of them, and which arise out of or are related to any of the facts, acts, claims, allegations, events, transactions, occurrences, courses of conduct, representations, omissions, circumstances or other matters alleged or referred to or which could have been or may ever be alleged or referred to in the Actions, whether known or unknown, and whether such claim was or could have been asserted by any Settlement Class Member on his or her own behalf or on behalf of other persons.

32. Released Parties – The Mericle Parties, the Luzerne County Parties, and any entity or individual that is not a Non-Released Party.

33. Representative Plaintiffs – collectively Dezare Dunbar, Alexandra Fahey, Elizabeth Habel, Gloria and Richard Habel, Angelia Karsko, H.T., Jessica Van Reeth, and Jack Van Reeth.

34. Settlement – the settlement embodied in this MSA.

35. Settlement Class Counsel – solely for purposes of this Settlement, and subject to the Court's appointment, Daniel Segal of Hangley Aronchick Segal Pudlin & Schiller; William R. Caroselli and David S. Senoff of Caroselli, Beachler, McTiernan & Conboy, LLC; Sol H. Weiss of Anapol Schwartz; and Marsha L. Levick of Juvenile Law Center.

36. Settlement Amount – the payment of $17,750,000 by the Mericle Defendants, plus payment by the Mericle Defendants of an amount equal to fifty (50) percent of the first $3,500,000, if any, actually recovered by the Mericle Defendants in the Third Circuit Action, all as further described in Paragraph II.A herein.

37. Third Circuit Action – the appeal titled *Travelers Property and Casualty Co. of America v. Robert K. Mericle and Mericle Construction, Inc.*, pending in the United States Court of Appeals for the Third Circuit at No. 10-3887, as further described in Paragraph II.A herein.

38. Withdrawal Determination – Mericle Defendants' written communication, on or before the Opt-Out Termination Deadline, to Class Counsel and Individual Plaintiffs' Counsel stating their withdrawal from, and termination of this MSA, as further described in Paragraph VII.A herein.

II. The Cash Settlement Fund

In full satisfaction of all Released Claims against the Released Parties, as well as consideration for the releases, bar orders and other provisions for the benefit of the Released Parties provided for in this Agreement, the Mericle Defendants shall establish a settlement fund (the "Cash Settlement Fund") out of which Settlement Class Members will receive compensation in accordance with this Agreement. The Cash Settlement Fund will be held in an escrow account at PNC Bank ("Escrow Agent") (the "Escrow Account"). The Escrow Account shall be governed by the provisions set forth in ParagraphVIII herein and Exhibit D hereto.

A. Settlement Payment

The Mericle Defendants will transfer a total of $17,750,000 (the "Escrow Amount") into the Escrow Account in three transactions, as follows:

1. $5,375,000 no later than ten (10) business days after the execution of this Agreement;

2. $5,375,000 no later than ten (10) business days after the Court's entry of the Preliminary Approval Order; and

3. $7,000,000 no later than ten (10) business days after the Opt-Out Deadline.

The Mericle Defendants will also deposit into the Escrow Account an amount equal to fifty (50) percent of the first $3,500,000, if any, actually recovered by the Mericle Defendants based on their claims for defense costs and/or indemnity against Travelers Property and Casualty Company of America ("Travelers") pursuant to the general commercial liability and excess liability policies which are the subject of the Third Circuit Action (together with the Escrow Amount, the "Settlement Amount"), within five (5) business days of any such actual recovery. The Mericle Defendants shall not have any obligation to pursue their claims against Travelers beyond the Third Circuit Action. Further, it is within the Mericle Defendants' sole discretion whether to pursue the Third Circuit Action to a decision or to enter into a settlement with Travelers so long as Plaintiffs are informed thereof and the decision is made in good faith.

B. Common Benefit Fees and Expenses

The Mericle Defendants will not oppose an application to the Court by Class Counsel and Individual Plaintiffs' Counsel for a common benefit fee award not to exceed thirty (30) percent of the Settlement Amount and, in addition, for common benefit litigation expenses (collectively, "Common Benefit Fees and Expenses"). Common Benefit Fees and Expenses shall be drawn exclusively from the Cash Settlement Fund.

C. Plan of Allocation

The amount remaining in the Cash Settlement Fund after the payment of Common Benefit Fees and Expenses pursuant to Paragraph II.B, payments to the Escrow Agent pursuant to Paragraph VIII and Exhibit D, and the payment of taxes, tax expenses and other costs pursuant to Paragraph VIII, shall be distributed to Settlement Class Members who have timely returned a Proof of Claim Form indicating their participation in the Cash Settlement Fund pursuant to a plan of allocation proposed by Class Counsel and Individual Plaintiffs' Counsel and approved by the Court ("Plan of Allocation"). No distribution to any Settlement Class Member may be made from the Cash Settlement Fund until after the Court's approval of the Plan of Allocation and entry of the Final Order and Judgment, and the expiration of any time period in which review could be sought with respect to approval of this MSA, or the judgments contemplated herein; if such review is sought, no distribution shall be made until proceedings in connection with such review are finally and fully resolved.

III. Preliminary Approval Of Master Settlement Agreement

A. Motion For Preliminary Approval

Within five (5) days of executing this Agreement, pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, Representative Plaintiffs, Class Counsel, Individual Plaintiffs' Counsel, and the Mericle Defendants shall submit this Agreement, together with the exhibits attached hereto, to the Court and jointly move the Court for the entry of an Order for preliminary

approval ("Preliminary Approval Order") substantially in the form attached hereto as Exhibit B ("Proposed Preliminary Approval Order"). The Mericle Defendants reserve the right to file a separate brief in support of the motion.

The Proposed Preliminary Approval Order shall:

1. Certify the Settlement Classes defined herein for settlement purposes only;

2. Solely for the purposes of the implementation, approval and consummation of this Settlement, appoint counsel to represent all proposed Settlement Class Members ("Settlement Class Counsel");

3. Solely for the purpose of the implementation, approval and consummation of this Settlement, appoint Representative Plaintiffs;

4. Grant preliminary approval of this MSA;

5. Authorize Notice of this MSA; and

6. Schedule a final Settlement Hearing, as set forth in Paragraph VI herein, to review comments concerning this Agreement, to consider its fairness, reasonableness and adequacy, and to determine whether to enter an Order approving the Settlement ("Final Order and Judgment") substantially in the form described in Paragraph VI. The Settlement Hearing shall be scheduled to give sufficient time for notice to be disseminated and to allow for objections pursuant to the terms of this MSA.

B. Effect Of Termination On Conditional Certification

Certification of the proposed Settlement Classes and appointment of Representative Plaintiffs and Settlement Class Counsel by the Court shall be binding only with respect to the Settlement set forth in this Agreement. In the event that this Agreement is terminated in accordance with its terms, or that the Court does not enter the Final Order and Judgment, the stipulated certification of the proposed Settlement Classes and the appointment of Settlement Class Counsel shall be vacated and the Actions shall proceed as though the proposed Settlement Classes had never been certified. Except to effectuate this Agreement, the Parties and their respective counsel agree not to present as evidence or legal precedent, rely upon, make reference to or otherwise make use of this stipulated certification of the proposed Settlement Classes in the Actions or any other legal proceeding.

IV. Notice, Opt-Out Rights And Claim Procedures

A. Notice

No later than fourteen (14) days after the Court has (1) entered the Preliminary Approval Order, and (2) approved the Mailed Notice, the Published Notice and the Proof of Claim Form, notice shall be sent to all potential Settlement Class Members via First Class mail and certified mail, return receipt requested and in any additional form as the Court shall direct; provided that

the forms of Notice are substantially identical to the proposed Mailed Notice and the proposed Published Notice forms that are attached hereto at Exhibit A, and the Proof of Claim Form is substantially identical to the proposed form attached hereto at Exhibit C.

Class Counsel and Individual Plaintiffs' Counsel shall be responsible for providing the names and addresses of potential Settlement Class Members. Plaintiffs shall advance the reasonable cost of Notice to Settlement Class Members, including costs for the mailing of the Mailed Notice, and costs for publishing the Published Notice. Notice costs shall be reimbursed as cost of administration from the Cash Settlement Fund as set forth in paragraph II.B above. In the event that the Court does not issue a Final Order and Judgment in accordance with the terms of this Agreement, the Mericle Defendants shall reimburse Class Counsel and Individual Plaintiffs' Counsel for one half of the Notice cost (i.e., postage and publication costs) unless the Mericle Defendants terminate this Agreement, in which event they shall reimburse Class Counsel and Individual Plaintiffs' Counsel for the entire Notice cost. The Parties have agreed that such publication is sufficient for the Settlement Classes in compliance with the requirements of Rule 23 of the Federal Rules of Civil Procedure.

All Mailed Notices sent to the all potential Settlement Class Members shall be sent by First Class mail and certified mail, return receipt requested to:

Claims Committee
c/o Sol H. Weiss, Esquire
Adrianne E. Walvoord, Esquire
Anapol Schwartz
1710 Spruce Street
Philadelphia, PA 19103
(215) 735-2098

B. Submission Of Proof Of Claim Form

In order to participate in the Cash Settlement Fund, Settlement Class Members must complete and submit to the Claims Committee a Proof of Claim Form.

Each Mailed Notice shall enclose a Proof of Claim Form. The Published Notice shall set forth a web site address from which a Proof of Claim Form can be downloaded and a mailing address that can be used to request a Proof of Claim Form. The Mailed Notice, the Published Notice and the Proof of Claim Form shall direct potential Settlement Class Members to return the completed Proof of Claim Form, together with identified documentation, to the address indicated on the Proof of Claim Form on a date certain no later than seventy-five (75) days after the Court has entered the Preliminary Approval Order and approved the Mailed Notice, the Published Notice and the Proof of Claim Form ("Proof of Claim Deadline").

C. Opt-Out Rights

Potential Settlement Class Members will have the right to exclude themselves from the Settlement ("Opt-Out") by returning the Proof of Claim Form indicating their Opt-Out election no later than the Proof of Claim Deadline. Settlement Class Members who timely request to

Opt-Out shall be excluded from this Agreement and from participation as Settlement Class Members. Any member who does not otherwise comply with the agreed-upon Opt-Out procedures approved by the Court shall be a Settlement Class Member and bound by the terms of this Agreement and the Final Order and Judgment. Within fourteen (14) days after the Opt-Out Deadline, the Claims Committee shall provide the Court and all undersigned counsel with a list of the proposed Settlement Class Members who have elected to Opt-Out ("Opt-Out Plaintiffs").

Any Opt-Out Plaintiff who, following his or her initial election, wishes to participate as a Settlement Class Member, may revoke his or her Opt-Out election by delivering to the Claims Committee prior to the Proof of Claim Deadline a written revocation of such individual's election to Opt-Out.

D. Bar Order

Any Settlement Class Member who does not submit a request to Opt-Out by the Proof of Claim Deadline (or, "Opt-Out Deadline"), or who does not otherwise comply with the agreed-upon Opt-Out procedures approved by the Court, or who revokes his or her request to Opt-Out by no later than the Opt-Out Deadline, shall be a Settlement Class Member and shall be bound by the terms of this MSA and the Court's Final Order and Judgment.

Any Settlement Class Member who does not submit a completed Proof of Claim Form by the Proof of Claim Deadline shall also be a Settlement Class Member, shall be bound by the terms of this MSA and the Court's Final Order and Judgment, and shall have his or her Released Claims against Released Parties extinguished with prejudice, but shall not be eligible to participate in the Cash Settlement Fund.

E. Objection Deadline

Settlement Class Members also have the right to object to the Settlement no later than the Proof of Claim Deadline. Settlement Class Members shall deliver to the Claims Committee, described in Paragraph V herein, a written statement of any objections such that the written statement of objections is received by the Claims Committee no later than the day before the Proof of Claim Deadline. The Claims Committee shall electronically file any such objections with the Court no later than 11:59 p.m. on the Proof of Claim Deadline.

If the Court approves the MSA and enters a Final Order and Judgment which is affirmed on appeal, if any, Settlement Class Members who previously objected to the Settlement and did not elect to Opt-Out shall be bound by the MSA and the Final Order and Judgment.

F. Special Master For Allocation Appeals

The Parties hereto request that the Court appoint Judge Marina Corodemus (Ret.) as a Special Master to resolve with finality, the award to any Settlement Class Member who appeals their preliminary monetary award as set forth more particularly in the Proof of Claims Form and the Plan of Allocation. The costs of the Special Master shall be paid out of the Cash Settlement Fund following the Court's Final Order and Judgment.

V. Claims Committee

Plaintiffs shall form a claims committee that will be responsible for administering various aspects of the Settlement, as described herein (the "Claims Committee"). The Claims Committee shall consist of four attorneys, including one representative from each of the following four law firms: (1) Hangley Aronchick Segal Pudlin & Schiller; (2) Anapol Schwartz; (3) Caroselli, Beachler, McTiernan & Conboy, LLC; and (4) Juvenile Law Center.

The Claims Committee shall be responsible for: (1) reviewing the Proof of Claims Forms returned by Plaintiffs; (2) determining which Plaintiffs have elected to Opt-Out; (3) notifying the Court and the Mericle Defendants of any objections made to the Settlement by any Settlement Class Members; and (4) pursuant to the Plan of Allocation, calculating the appropriate portion of the Cash Settlement Fund to be paid to each Settlement Class Member who timely submitted a Proof of Claim Form electing to participate in the Settlement. An attorney representative from Morgan, Lewis & Bockius LLP shall have the right to: (1) participate in any and all of the Claims Committee's discussions and meetings determining the identities of and/or otherwise concerning Opt-Out Plaintiffs; and (2) review and have full access to all Proof of Claim Forms, objections, or other documents received in response to the Mailed Notice and/or the Published Notice, as well as any reports and/or summaries concerning Opt-Out Plaintiffs prepared by the Claims Committee.

On each Thursday after Notice is issued pursuant to paragraph IV.A, and before the Opt-Out Deadline, the Claims Committee shall provide to all undersigned Counsel via e-mail: (1) a list of all Opt-Out elections (by Plaintiff name) received up to that date; (2) copies of the Proof of Claim Forms indicating Plaintiffs' elections to Opt-Out; and (3) copies of any written objections made to the Settlement by any Settlement Class Members. Within fourteen (14) business days after the Opt-Out Deadline, the Claims Committee shall provide to all Counsel via e-mail: (1) a complete list of all Opt-Out elections (by Plaintiff name); (2) copies of the Proof of Claim Forms indicating Plaintiffs' elections to Opt-Out; (3) a statement of the total number of Mailed Notices mailed and the total number of Opt-Out elections received; (4) copies of any written objections made to the Settlement by any Settlement Class Members; and (5) a complete list of all Settlement Class Members claiming from the Cash Settlement Fund.

Thereafter, the Claims Committee shall provide to all undersigned Counsel, on a weekly basis via e-mail, copies of any written objections made to the Settlement by any Settlement Class Members.

VI. Settlement Hearing

Representative Plaintiffs and Settlement Class Counsel shall ask the Court to set the Settlement Hearing for a date that is no earlier than ten (10) days after the Opt-Out Termination Deadline, as set forth in Paragraph VII herein (the "Settlement Hearing Date"). On or before the Settlement Hearing Date, Settlement Class Counsel shall move the Court for the entry of a Final Order and Judgment.

The Final Order and Judgment shall include:

1. Affirmation of certification of the Settlement Classes pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure for settlement purposes only;

2. Final approval of this Settlement in its entirety as fair, reasonable and adequate, and in the best interests of the Settlement Classes as a whole;

3. A determination that all Settlement Class Members shall be bound by the Settlement and shall be deemed conclusively to have settled and released with prejudice the Released Parties and to have covenanted not to sue the Released Parties;

4. A bar order precluding each Settlement Class Member from asserting any and all Released Claims against any Released Parties that the Settlement Class Member had or has, in any court;

5. Dismissal of all Released Claims of the Settlement Class Members with prejudice as to the Released Parties; and

6. Reservation of the Court's continuing and exclusive jurisdiction over the Parties to administer, supervise, interpret and enforce this Agreement in accordance with its terms.

VII. Opt-Out Termination Rights

A. Opt-Out Termination Rights and Reasonable Efforts Obligation

Notwithstanding any other provision of this MSA, if there are any Opt-Out Plaintiffs, the Mericle Defendants may terminate this MSA if, within their discretion, they believe there exists an unacceptably high risk to themselves associated with such Opt-Out Plaintiff(s). Each Opt-Out Plaintiff who intends to pursue a separate claim against the Released Parties shall participate in confidential non-binding mediation with the Mericle Defendants prior to the Opt-Out Termination Deadline, defined below. Expenses incurred in connection with the mediation described in this paragraph shall not be paid from the Cash Settlement Fund. The Mericle Defendants shall, within a ninety (90) day period following the Opt-Out Deadline ("Opt-Out Termination Period"), use reasonable efforts to attempt to mitigate the risks and exposure presented by such Opt-Out Plaintiff(s). The Claims Committee, Class Counsel and Individual Plaintiffs' Counsel agree to respond in an expedited manner to the Mericle Defendants' requests for information, if any, concerning the Opt-Out Plaintiff(s) to the extent to which counsel have the requested information in their possession. Upon request by Class Counsel and/or Individual Plaintiffs' Counsel, the Mericle Defendants agree to provide interim communications to Class Counsel and Individual Plaintiffs' Counsel describing in reasonable detail their efforts to attempt to mitigate any risk or exposure presented by such Opt-Out Plaintiff(s). The determination of whether the Mericle Defendants have used reasonable efforts to attempt to mitigate the risks and exposure presented by the Opt-Out Plaintiff(s) is subject to judicial review. However, the determination of whether or not there exists an unacceptably high risk to the Mericle Defendants associated with such Opt-Out Plaintiff(s) is within the sole discretion of the Mericle Defendants and is not subject to judicial review.

Following the reasonable efforts referred to in this Paragraph VII.A and on or before the expiration of the Opt-Out Termination Period ("Opt-Out Termination Deadline"), the Mericle Defendants shall, in their discretion with respect to there being an unacceptably high risk associated with Opt-Out Plaintiffs, have the right to withdraw from and terminate this MSA. Unless on or before the Opt-Out Termination Deadline, the Mericle Defendants communicate in writing to Class Counsel and Individual Plaintiffs' Counsel their intention to withdraw from and terminate this MSA (the "Withdrawal Determination"), the parties shall proceed to the Settlement Hearing and a Final Order and Judgment pursuant to Paragraph VI of this MSA.

If the Mericle Defendants communicate a Withdrawal Determination to Class Counsel and Individual Plaintiffs' Counsel, then Plaintiffs shall have the right to challenge, within fourteen (14) days thereafter, whether the Mericle Defendants have used reasonable efforts to attempt to mitigate the risks and exposure presented by the Opt-Out Plaintiff(s) and to present that challenge to the Court for a determination of that issue.

If the Mericle Defendants make a Withdrawal Determination, and if (i) Plaintiffs do not challenge whether the Mericle Defendants have used reasonable efforts to attempt to mitigate the risks and exposure presented by the Opt-Out Plaintiff(s), or (ii) Plaintiffs challenge whether the Mericle Defendants have used reasonable efforts to attempt to mitigate the risks and exposure presented by the Opt-Out Plaintiff(s) and the Court rejects their challenge, then, in either event, this MSA shall terminate and the Mericle Defendants shall be entitled to immediate repayment of any amounts deposited into the Escrow Account and any interest accrued thereon ("Opt-Out Termination Right").

If the Mericle Defendants make a Withdrawal Determination, and Plaintiffs challenge whether the Mericle Defendants have used reasonable efforts to attempt to mitigate the risks and exposure presented by the Opt-Out Plaintiff(s) and the Court sustains their challenge, then this MSA shall remain in full force and effect and shall not terminate pursuant to this Paragraph VII.A, and the parties shall proceed to the Settlement Hearing and a Final Order and Judgment pursuant to Paragraph VI.

B. Reduction In Settlement Amount

If there are any Opt-Out Plaintiff(s) and the Mericle Defendants choose not to exercise their Opt-Out Termination Right, or choose to do so but the Court sustains Plaintiffs' challenge as described herein, then the $17,750,000 portion of the Settlement Amount and, consistent with Paragraph II.A, any amount deposited into the Cash Settlement Fund as a result of a recovery by the Mericle Defendants in the Third Circuit Action, shall be reduced by an amount equal to the aggregate value of the Opt-Out Plaintiffs' claims under the Plan of Allocation, including any pro rata distribution of unclaimed amounts and returned checks as further described in Paragraph VIII. F, and such amount shall be returned to the Mericle Defendants.

VIII. Escrow Account

The Escrow Account shall be administered in the manner set forth in the Escrow Agreement attached hereto as Exhibit D.

A. Qualified Settlement Fund

The Escrow Account is intended by the Parties to be treated as a "qualified settlement fund" for federal income tax purposes pursuant to Treas. Reg. § 1.468B-1. The Parties therefore agree not to take any position in any filing or before any tax authority that is inconsistent with such treatment. The Parties further agree that the Mericle Defendants shall direct the Escrow Agent to make a timely "relation back election" (as defined in Treas. Reg. § 1.468B-1(j)) back to the earliest possible date.

B. Taxes

In accordance with the Escrow Agreement, the funds in the Escrow Account shall be used to pay: (1) all taxes or estimated taxes on any income earned on funds in the Escrow Account; and (2) all related costs and expenses incurred in connection with the Escrow Account. In all events, the Parties and their counsel shall not have any liability or responsibility for the taxes, tax expenses or the filing of any tax returns or other documents with the Internal Revenue Service or any state or local tax authority. Taxes and tax expenses shall be treated as, and considered to be, a cost of administration of the Escrow Account and shall be timely paid by the Escrow Agent out of the Escrow Account following the Court's Final Order and Judgment, but without further order of the Court.

C. Interest Earned

The Escrow Amount, and any interest earned on it, but less any costs of administration, shall revert to the party receiving the principal. Should this MSA be terminated for any reason, including pursuant to the Mericle Defendants' Opt-Out Termination Right set forth in Paragraph VII, the Escrow Amount and any interest earned on it shall revert to the Mericle Defendants.

D. No Liability

The Parties shall have no liability with respect to the investment or distribution of the Cash Settlement Fund held in the Escrow Account, the Plan of Allocation, the determination or administration of taxes, or any losses incurred in connection with the Escrow Account.

E. No Claims

No person shall have any claim against the Representative Plaintiffs, Class Counsel, Individual Plaintiffs' Counsel, the Mericle Defendants, counsel for the Mericle Defendants, or the Claims Committee based on the distributions made in accordance with this Agreement, the Plan of Allocation, or further orders of the Court.

F. Unclaimed Amounts And Returned Checks

The net amount remaining in the Escrow Account following the first and any subsequent distributions in conformance with the Plan of Allocation, including any unclaimed amounts and returned uncashed checks, shall be distributed to Settlement Class Members in accordance with the Plan of Allocation.

IX. Releases

A. Dismissal Of Claims And Release

Upon the entry of the Final Order and Judgment, all Released Claims against the Released Parties (but not the Non-Released Parties) shall be dismissed with prejudice and the Plaintiffs shall be deemed to have unconditionally, fully, finally, and forever, remised, released, relinquished, compromised and discharged all Released Claims whether or not any particular Plaintiff seeks or receives payment under the terms of the MSA.

B. Covenant Not To Sue, And Non-Solicitation

Settlement Class Members agree and covenant not to sue or to prosecute, institute or cooperate in the institution, commencement, filing, or prosecution of any lawsuit, appeal, arbitration or other proceeding relating to or based on any claim that concerns, arises out of or relates to any of the facts, actions, claims, allegations, events, transactions, occurrences, courses of conduct, representations, omissions, circumstances or other matters alleged or referred to, or which could have been alleged or referred to in the Actions, with respect to the Released Parties.

Other than existing clients with whom Individual Plaintiffs' Counsel and/or Class Counsel currently have an engagement letter, Individual Plaintiffs' Counsel and Class Counsel agree not to initiate any communications for the purpose of seeking to represent any other Settlement Class Members against any Released Party, with regard to any matter which is the subject of the first paragraph immediately above, who may Opt-Out or who elects to Opt-Out.

X. Future Claims For Contribution Or Indemnity

It is the express intention of the Parties that, to the fullest extent possible, Plaintiffs shall in all future litigation against Non-Released Parties eliminate all claims for contribution and/or indemnity that might be asserted against the Released Parties. Plaintiffs, when entering into a settlement agreement with any Non-Released Party resolving some or all of the claims in the Actions, or resolving any other claims related in any way to the claims, allegations and/or facts in the Actions, shall insist on and include a provision barring any Non-Released Party from bringing any contribution claim, any indemnity claim, or any other claim related in any way to the claims, allegations and/or facts in the Actions against a Released Party. Plaintiffs in any jury trial against a Non-Released Party shall proffer a jury verdict form that includes the Released Parties, and in any bench trial or binding alternative dispute forum where claims are asserted against any Non-Released Party, request that the Released Parties' wrongful conduct, if any, be adjudicated. The purpose of this paragraph is to allocate liability among all Released Parties and Non-Released Parties, and that any judgment recovered against any Non-Released Parties in the Actions or any other proceeding shall be reduced pro rata or pro tanto to account for the Released Parties' allocation of liability, regardless of whether Released Parties herein were in fact joint tortfeasors, and regardless of whether the Released Parties participate in any such action or proceeding. The intent of this Paragraph is to be consistent with *Griffin v. U.S.*, 500 F.2d 1059 (1974).

Plaintiffs agree that any recovery against a Non-Released Party as to which there has not been a binding allocation of liability as to the Released Parties shall be held in escrow and shall

not be distributed until the expiration of any statutes of limitations period for any possible indemnification and/or contribution claims that such Non-Released Party may bring against any Released Party, regardless of the Released Parties' and/or Plaintiffs' assessment of such claims' merit. If, upon expiration of the statutes of limitations, no claims have been filed against any Released Party by the Non-Released Party, any such recovery may be distributed. If any claims have been filed by the Non-Released Party against any Released Party, no distribution shall be made until all proceedings in connection with such claims, including appeals, are finally and fully resolved.

This provision is intended, *inter alia*, to accomplish the complete and permanent disengagement of the Released Parties from all possible claims – known or unknown, suspected or unsuspected, present or future – that arise out of or could arise out of the facts alleged in the Actions, for which the Released Parties have been released and to avoid the necessity and expense of having the Released Parties participate in any litigation related to such claims.

XI. Termination Provisions

A. Right To Terminate The MSA

This Agreement may be terminated upon written notice within fourteen (14) days of any one of the following events.

1. If, at the Preliminary Approval Hearing or within sixty (60) days thereafter, the Court denies preliminary approval of the Settlement or refuses to preliminarily approve the Settlement without requiring substantial and material changes to the Mailed Notice, the Published Notice and/or the Proof of Claim Form submitted to the Court pursuant to Paragraphs IV.A and B of this Agreement.

2. If, within one hundred and eighty (180) days of the Settlement Hearing Date, the Court denies final approval of the Settlement or refuses to finally approve the Settlement without requiring substantial and material changes to the information provisions contained in the Final Order and Judgment as set forth in Paragraph VI herein, in order to enter the Final Order and Judgment.

3. The Mericle Defendants only shall have the right to terminate this Agreement pursuant to the terms of Paragraph VII.

4. The Final Order and Judgment is substantially modified or reversed on any writ or appeal.

In the event of any termination pursuant to the Agreement, the Parties shall be restored to their original positions, including without limitation, the return to the Mericle Defendants of the Escrow Amount and, consistent with Paragraph II.A, any amount deposited into the Cash Settlement Fund as a result of a recovery by the Mericle Defendants in the Third Circuit Action.

B. Stay Of Proceedings

The Parties agree that, upon their filing of a motion for preliminary approval of the Settlement, they jointly will move the Court to stay the following discovery pending final approval of the Settlement: (1) any depositions of individual Plaintiffs; and (2) any discovery directed to the Released Parties, including without limitation depositions, interrogatories, documents requests and requests for admission. Assuming there is no Court order providing for an earlier deadline, Class Counsel and Individual Plaintiffs' Counsel agree not to move in any of the Actions to seek certification of any litigation classes until the Court either denies approval of the Settlement or enters the Final Order and Judgment. If the Court enters an order providing for an earlier deadline, and if Plaintiffs file a motion seeking certification of any litigation class, the Mericle Defendants shall be free to oppose any such certification.

XII. Miscellaneous Provisions

A. Not Evidence; No Admission of Liability

In no event shall this Agreement, in whole or in part, whether effective, terminated, or otherwise, or any of its provisions or any negotiations, statements or proceedings relating to it in any way be construed as, offered as, received as, used as or deemed to be evidence of the factual allegations and/or legal conclusions in the Actions, in any other action, or in any judicial, administrative, regulatory or other proceeding. Without limiting the foregoing, neither this Agreement nor any related negotiations, statements or proceedings shall be construed as, offered as, received as, used as or deemed to be evidence, or an admission or concession of liability or wrongdoing whatsoever or breach of any duty on the part of the Released Parties or any applicable defense, including without limitation any applicable statute of limitations. This Agreement does not constitute or reflect any admission of any liability by the Released Parties of the claims brought against them in the Actions. None of the Parties waives or intends to waive any applicable attorney-client privilege or work product protection for any negotiations, statements or proceedings relating to this Agreement.

B. Confidentiality

The Parties agree that any and all documents, material, correspondence and/or information received and/or produced or disclosed in furtherance of this Agreement, including all drafts of this Agreement, shall be considered confidential and shall not be disclosed to any third parties unless otherwise required by law.

C. Public/Media Statements

On the day that, pursuant to Paragraph III.A. above, the Parties submit this Agreement to the Court and jointly move the Court for the entry of a Preliminary Approval Order, the Parties will issue a mutually agreed-upon statement (the "Mutually Agreed-Upon Statement"). Class Counsel, Individual Plaintiffs' Counsel and counsel for the Mericle Defendants agree that they will not make or cause to be made any other public comment regarding the Settlement, other than the Mutually Agreed-Upon Statement.

The Parties agree that the provision in the paragraph immediately above is material and in the event that Class Counsel, Individual Plaintiffs' Counsel or counsel for the Mericle Defendants issue or make any public comment concerning the Settlement besides the Mutually Agreed-Upon Statement, the Plaintiffs or the Mericle Defendants shall, as the case may be, be in material breach of this Agreement and the Plaintiffs or the Mericle Defendants, as the case may be, shall have all rights in law and equity to seek relief for said breach.

Notwithstanding the two paragraphs immediately above, the Parties agree that oral or written communications between Class Counsel and Individual Plaintiffs' Counsel on the one hand and Representative Plaintiffs, the Settlement Class Members or individual Plaintiffs on the other hand shall not constitute making or causing to be made a public comment regarding the Settlement. The Parties further agree that, notwithstanding the two paragraphs immediately above, oral or written communications between counsel for the Mericle Defendants on the one hand and the Mericle Defendants on the other hand shall not constitute making or causing to be made a public comment regarding the Settlement.

D. Entire Agreement

This Agreement, including its Exhibits, contains an entire, complete, and integrated statement of each and every term and provision agreed by and among the Parties; it is not subject to any condition not provided for herein. This Agreement supersedes any prior agreements or understandings, whether written or oral, between and among the Representative Plaintiffs, the Settlement Class Members, Class Counsel, Individual Plaintiffs' Counsel and counsel for the Mericle Defendants regarding the subject matter of the Actions or this Agreement.

This Agreement may be amended or modified only by a written instrument signed by or on behalf of Class Counsel, Individual Plaintiffs' Counsel and counsel for the Mericle Defendants, and approved by the Court.

E. No Presumption Against Drafter

None of the Parties shall be considered to be the drafter of this Agreement or any provision hereof for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof. This Agreement was drafted with substantial input by all Parties and their counsel, and no reliance was placed on any representation other than those contained herein.

F. Force Majeure

The Mericle Defendants shall not be liable for delay or non-performance of their obligations under this Agreement arising from any act of God, governmental act, and act of terrorism, war, fire, flood, explosion or civil riot. The performance of the Mericle Defendants' obligations under this Agreement, to the extent affected by the delay, shall be suspended for the period during which the cause of the delay persists.

G. Continuing And Exclusive Jurisdiction

The Court will have original and exclusive jurisdiction over all provisions of this Agreement, including the administration, supervision, interpretation and enforcement of this Agreement in accordance with its terms and any award of attorney's fees.

H. Counterparts

This Agreement may be executed in counterparts, each of which shall constitute an original. Scanned signatures shall be considered valid signatures as of the date submitted, although the original signature pages shall thereafter be appended to this Agreement.

I. Divisions And Headings

The division of this Agreement into paragraphs and the use of captions and headings in connection herewith, are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.

J. Plurals And Singulars Of Defined Terms

Where a term is defined in plural and used in singular in the text, it means one such. Where a term is defined in singular is used in plural in a text, it means more than one such.

K. Governing Law

This Agreement is to be interpreted according to the substantive law of the Commonwealth of Pennsylvania without regard to its choice of law or conflicts of laws principles.

L. Waiver

The provisions of this Agreement may be waived only by an instrument in writing executed by the waiving Party. The waiver by any Party of any breach of this Agreement shall not be deemed to be or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Agreement.

M. No Third Party Beneficiaries

Except as otherwise provided herein, nothing in this Agreement is intended, nor shall it in any way be construed, to create or convey any rights in or to any person other than the Plaintiffs and the Released Parties.

N. Successors And Assigns

The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

O. Authority And Acknowledgement

Each Person signing this Agreement on behalf of a Party represents and warrants that he or she has all the requisite power and authority to enter into this Agreement and to implement the transactions contemplated herein, and is duly authorized to execute this Agreement on behalf of that Party. By their signature or counsel's signature affixed hereto, each Party acknowledges that he or she has read this Agreement, fully understands the agreements, representations, covenants, obligations, conditions, warranties, releases and terms contained herein, and has had the advice of counsel pertaining thereto, prior to the time of execution. Class Counsel and Individual Plaintiffs' Counsel acknowledge that they have authority to execute this Agreement and bind the Representative Plaintiffs and Settlement Class Members.

For Defendants Robert K. Mericle and Mericle Construction, Inc.

By: Eric Kraeutler

Eric Kraeutler
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103
(215) 963-4840

dated: 12/16/11

For Plaintiffs in the action titled,
***H.T., et al. vs. Ciavarella, et al.*, No. 3:09-cv-357 (M.D. Pa.)**

By: _____

Marsha L. Levick, Esquire
Juvenile Law Center
1315 Walnut Street, Suite 400
Philadelphia, PA 19107
(215) 625-0551

dated: _____

By: _____

Daniel Segal, Esquire
Hangley Aronchick Segal Pudlin & Schiller
One Logan Square, 27th Floor
18th and Cherry Streets
Philadelphia, PA 19103

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For Defendants Robert K. Mericle and Mericle Construction, Inc.

By: _____

Eric Kraeutler
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103
(215) 963-4840

dated: _____

For Plaintiffs in the action titled,
***H.T., et al. vs. Ciavarella, et al.*, No. 3:09-cv-357 (M.D. Pa.)**

By: Marsha L. Levick

Marsha L. Levick, Esquire
Juvenile Law Center
1315 Walnut Street, Suite 400
Philadelphia, PA 19107
(215) 625-0551

dated: 12/16/11

By: _____

Daniel Segal, Esquire
Hangley Aronchick Segal Pudlin& Schiller
One Logan Square, 27th Floor
18th and Cherry Streets
Philadelphia, PA 19103

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For Defendants Robert K. Mericle and Mericle Construction, Inc.

By: _____

Eric Kraeutler
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103
(215) 963-4840

dated: _____

For Plaintiffs in the action titled,
***H.T., et al. vs. Ciavarella, et al.*, No. 3:09-cv-357 (M.D. Pa.)**

By: _____

Marsha L. Levick, Esquire
Juvenile Law Center
1315 Walnut Street, Suite 400
Philadelphia, PA 19107
(215) 625-0551

dated: _____

By: _____

Daniel Segal, Esquire
Hangley Aronchick Segal Pudlin & Schiller
One Logan Square, 27th Floor
18th and Cherry Streets
Philadelphia, PA 19103

(215) 568-6200

dated: _____

For Plaintiffs in the action titled,
***Conway, et al v. Conahan et al.*, No. 3:09-cv-291 (M.D. Pa.)**

By: _____
Sol H. Weiss, Esquire
Adrianne E. Walvoord, Esquire
Anapol Schwartz
1710 Spruce Street
Philadelphia, PA 19103
(215) 735-2098

dated: 12-16-11

By: _____
Barry H. Dyller, Esquire
Gettysburg House
88 North Franklin Street
Wilkes-Barre, PA 18701
(570) 829-4860

dated: _____

For Plaintiffs in the action titled,

(215) 568-6200

dated: _____

For Plaintiffs in the action titled,
***Conway, et al v. Conahan et al.*, No. 3:09-cv-291**
(M.D. Pa.)

By: _____
Sol H. Weiss, Esquire
Adrianne E. Walvoord, Esquire
Anapol Schwartz
1710 Spruce Street
Philadelphia, PA 19103
(215) 735-2098

dated: _____

By: Barry Dyller
Barry H. Dyller, Esquire
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Wilkes-Barre, PA 18701
(570) 829-4860

dated: 12/15/11

For Plaintiffs in the action titled,

***Wallace v. Powell, et al.*, No. 3:09-cv-286 (M.D. Pa.)**

By: _____

William R. Caroselli, Esquire
Caroselli, Beachler, McTiernan & Conboy
20 Stanwix Street, 7th Floor
Pittsburgh, PA 19522
(412) 391-9860

dated: 12/16/11

David S. Senoff, Esquire
Caroselli, Beachler, McTiernan & Conboy
1500 Walnut Street, Suite 507
Philadelphia, PA 19102
(215) 609-1350

By: _____

Michael J. Cefalo, Esquire
Cefalo & Associates
309 Wyoming Avenue
West Pittston, PA 18643
(570) 655-5555

dated: _____

For Plaintiffs in the action titled,
***Humanik v. Ciavarella, et al.*, No. 3:09-cv-630 (M.D. Pa.)**

By: _____

Daniel E. Kleiner, Esquire
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Two Penn Center Plaza, Suite 1204
15th & John F. Kennedy Boulevard
Philadelphia, PA 19102
(215) 567-6616

dated: _____

***Wallace v. Powell, et al.*, No. 3:09-cv-286 (M.D. Pa.)**

By: _____

William R. Caroselli, Esquire
Caroselli, Beachler, McTiernan & Conboy
20 Stanwix Street, 7th Floor
Pittsburgh, PA 19522
(412) 391-9860

dated: _____

David S. Senoff, Esquire
Caroselli, Beachler, McTiernan & Conboy
1500 Walnut Street, Suite 507
Philadelphia, PA 19102
(215) 609-1350

By: _____

Michael J. Cefalo, Esquire
Cefalo & Associates
309 Wyoming Avenue
West Pittston, PA 18643
(570) 655-5555

dated: 12/16/11

For Plaintiffs in the action titled,
***Humanik v. Ciavarella, et al.*, No. 3:09-cv-630 (M.D. Pa.)**

By: _____

Daniel E. Kleiner, Esquire
Metzger & Kleiner
Two Penn Center Plaza, Suite 1204
15th & John F. Kennedy Boulevard
Philadelphia, PA 19102
(215) 567-6616

dated: _____

***Wallace v. Powell, et al.*, No. 3:09-cv-286 (M.D. Pa.)**

By: _____

William R. Caroselli, Esquire
Caroselli, Beachler, McTiernan & Conboy
20 Stanwix Street, 7th Floor
Pittsburgh, PA 19522
(412) 391-9860

dated: _____

David S. Senoff, Esquire
Caroselli, Beachler, McTiernan & Conboy
1500 Walnut Street, Suite 507
Philadelphia, PA 19102
(215) 609-1350

By: _____

Michael J. Cefalo, Esquire
Cefalo & Associates
309 Wyoming Avenue
West Pittston, PA 18643
(570) 655-5555

dated: _____

For Plaintiffs in the action titled,
***Humanik v. Ciavarella, et al.*, No. 3:09-cv-630 (M.D. Pa.)**

By: _____

Daniel E. Kleiner, Esquire
Metzger & Kleiner
Two Penn Center Plaza, Suite 1204
15th & John F. Kennedy Boulevard
Philadelphia, PA 19102
(215) 567-6616

dated: 12/16/11

Exhibit A

to the Master Settlement Agreement

UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

LEGAL NOTICE OF A CLASS ACTION SETTLEMENT

If you are a juvenile who appeared before former Judge Mark A. Ciavarella Jr. at any time from January 1, 2003 through May 28, 2008

--- or ---

If you are the parent/guardian of a juvenile who appeared before former Judge Ciavarella during this time,

YOU COULD RECEIVE BENEFITS FROM A SETTLEMENT with Robert K. Mericle and Mericle Construction, Inc.

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

Various class action lawsuits and individual lawsuits were filed on behalf of juveniles who were adjudicated delinquent or referred to placement by former Luzerne County Court of Common Pleas Judge Mark A. Ciavarella Jr. between January 1, 2003 and May 28, 2008 and on behalf of the parents and natural guardians of the juveniles who were adjudicated delinquent or referred to placement by former Judge Ciavarella during that period of time. This Notice refers to these parties as the "Juveniles" and the "Parents," respectively.

The class action lawsuits, captioned *H.T., et al. v. Ciavarella*, Case No. 09-cv-357, *Conway v. Cohanan*, Case No. 09-cv-291, and *Belanger v. Ciavarella*, and the individual lawsuits, captioned *Wallace v. Powell*, Case No. 09-cv-286, *Humanik v. Ciavarella*, Case No. 09-cv-630, *Clark v. Conahan*, Case No. 09-cv-2535, *Dawn v. Conahan*, Case No. 10-cv-0797, *Elia v. Powell*, Case No. 11-cv-465, and *Gillette v. Ciavarella*, Case No. 11-cv-0658, are pending in the United States District Court for the Middle District of Pennsylvania. This Notice refers to these lawsuits as "the Actions."

The Actions were filed against multiple defendants. All of the Actions include Robert K. Mericle and Mericle Construction, Inc. as defendants. This Notice refers to Robert K. Mericle and Mericle Construction, Inc. jointly as "the Mericle Defendants." The Actions allege that the Mericle Defendants violated the Juveniles' constitutional rights, that they violated the Racketeer Influenced and Corrupt Organizations Act ("RICO"), and that they violated Pennsylvania law.

On December 14, 2011, representatives of the Juveniles and the Parents (the "Representative Plaintiffs"), on behalf of the members of the class and the individual plaintiffs, through their respective counsel, entered into a Master Settlement Agreement ("MSA" or "Agreement") with the Mericle Defendants, through their counsel. The Mericle Defendants will pay $17,750,000 to resolve the claims

of the Juveniles and the Parents against them and against Luzerne County. For purposes of settlement, all claims set forth in the Actions are certified for class treatment.

The Mericle Defendants have not admitted to doing anything wrong, and the Court has not found that the Mericle Defendants have done anything wrong. However, the Mericle Defendants wish to enter into the MSA to release the Released Parties as defined below from any potential liability and to end all further litigation by the Juveniles and the Parents against these parties.

This Notice is a description of important terms of the Agreement, but it does not set forth every term of the Agreement or modify the Agreement. You may obtain a copy of the entire Agreement at www.kidswinsettlement.com.

WHO IS INVOLVED IN THIS SETTLEMENT?

This Class Action Settlement is to resolve the claims of the Settlement Class Members. The Settlement Class Members fall into two groups:

1. **"Juveniles"** - all juveniles who appeared before former Judge Ciavarella at any time between January 1, 2003 and May 28, 2008 and who were adjudicated delinquent and/or placed in a detention center by former Judge Ciavarella;

2. **"Parents"** - all parents and/or guardians of all juveniles in paragraph (1) who, as a result of their child's adjudication or placement by Judge Ciavarella between January 1, 2003 and May 28, 2008: (i) made payments or had wages, social security or other entitlements garnished or withdrawn; (ii) had costs, fees, interest and/or penalties assessed against them or their child; and/or (iii) suffered any loss of companionship and/or familial integrity.

This Class Action Settlement is paid for by the Mericle Defendants:

This Class Action Settlement is paid for by **Robert K. Mericle and/or Mericle Construction, Inc.**

This Class Action Settlement is paid for the benefit of the Released Parties:

This Class Action Settlement is paid for by the **Mericle Defendants** for their benefit *and* for the benefit of the **Mericle Parties**, defined as defendant Robert K. Mericle, his family, and their respective heirs, executors, administrators, successors, grantees and assigns, defendant Mericle Construction, Inc., Mericle Commercial Real Estate Group Inc., Mericle Commercial Real Estate Services and all of their respective entities, affiliates, successors, assigns and related parties, and/or any other party that is, or may have ever been, owned or controlled by any of the foregoing individuals or entities, and all of the aforesaids' lawyers, agents, officers, employees and former employees.

The Class Action Settlement is also paid for by the Mericle Defendants for the benefit of the **Luzerne County Parties**. The Luzerne County Parties include the County of Luzerne and all departments and instrumentalities thereof, including the Luzerne County Department of Juvenile Probation, the Luzerne County District Attorney's Office, the Luzerne County Public Defender's Office and Luzerne County Children & Youth Services, Sandra Brulo, Sam Guesto, the Luzerne County Commissioners, past and present, including without limitation Gregory Skrepenak, Todd Vonderheid, and Steven Urban, and any other current or former employees, officials or agents of the County of Luzerne, and any departments and instrumentalities thereof, all related parties, successors and assigns, and all of the their lawyers, agents and employees.

The Mericle Parties, the Luzerne County Parties, and any entity or individual that is not a Non-Released Party as defined below, are considered "Released Parties."

This Class Action Settlement does NOT include Non-Released Parties:

This proposed Settlement does NOT include PA Child Care, LLC, Western PA Child Care, LLC, Mid-Atlantic Youth Services, Inc., Consulting Innovations and Services, Inc., Gregory R. Zappala, Robert J. Powell, Powell Law Group P.C., Perseus House, Inc. d/b/a Andromeda House, Beverage Marketing of PA., Inc., Pinnacle Group of Jupiter, LLC, Vision Holdings, LLC, Mark A. Ciavarella, Jr., Michael T. Conahan, Barbara Conahan, and Cindy Ciavarella, and all of the aforesaids' lawyers, agents and employees, and subsidiary and parent organizations in their capacities as such; and, Later Discovered Parties (collectively, "Non-Released Parties"). "Later Discovered Parties" is defined as any entity or person (other than a Mericle Party or a Luzerne County Party) against which or whom some or all Plaintiffs may bring a claim in any of the Actions based on evidence not currently known to Class Counsel or Individual Plaintiffs' Counsel **.**

Claims by the Juveniles or the Parents that are currently pending in the Actions against certain Non-Released Parties, including **PA Child Care, LLC, Western PA Child Care, LLC, Mid-Atlantic Youth Services, Inc., Consulting Innovations and Services, Inc., Gregory R. Zappala, Robert J. Powell, Powell Law Group P.C., Beverage Marketing of PA., Inc., Pinnacle Group of Jupiter, LLC, Vision Holdings, LLC, Mark A. Ciavarella, Michael T. Cohanan, Barbara Conahan, Cindy Ciavarella** are not settled by the Agreement.

WHAT IS THE SETTLEMENT?

The Mericle Defendants shall pay $17,750,000 into a Cash Settlement Fund, which will be held in escrow by PNC Bank, in exchange for the release of all claims against the Released Parties related to the Actions ("Released Claims"). After payment of court-approved attorneys' fees and reimbursement of common costs, the money in the Cash Settlement Fund shall be divided among all eligible Settlement Class Members pursuant to the method described in more detail below.

The Mericle Defendants shall pay up to an additional $1,750,000 into the Cash Settlement Fund if, and when, they are successful in resolving a separate lawsuit the Mericle Defendants filed against their insurance carrier.

- ➔ If you agree to participate in this Settlement and qualify as a Settlement Class Member, you will receive a portion of the Cash Settlement Fund pursuant to the method described below on pages 6-7. In exchange for participating in the Settlement, you will give up your right to pursue all present and future claims and lawsuits against the Released Parties arising from the Released Claims related to these Actions. **Your rights to collect additional money from Non-Released Parties, listed above, will not be affected.**

- ➔ All payments from the Cash Settlement Fund shall be approved in writing by the United States District Court for the Middle District of Pennsylvania.

HOW DO I PARTICIPATE IN THE SETTLEMENT?

To qualify for payment from the Cash Settlement Fund, you must complete a **Proof of Claim Form** attached to this Notice and submit it, together with any required documentation identified on the form, to:

Claims Committee
c/o Sol H. Weiss, Esquire
Adrianne E. Walvoord, Esquire
Anapol Schwartz
1710 Spruce Street
Philadelphia, PA 19103
(215) 735-2098

You can also obtain a **Proof of Claim Form** at www.kidswinsettlement.com or call toll-free 1-866-510-3030 and request that the Claims Committee send you a **Proof of Claim Form**.

The Proof of Claim Form must be submitted to the Claims Committee post-marked no later than _____ [75 days after the Court has entered its Preliminary Approval Order]. **You will not be permitted to participate in the Settlement if you miss this deadline.**

HOW DO I KNOW IF I QUALIFY FOR A PORTION OF THE CASH SETTLEMENT FUND?

A "Claims Committee" will be established to administer various aspects of the Settlement, including reviewing the Proof of Claim Forms returned by Settlement Class Members and calculating the amount of the Cash Settlement Fund to be paid to each Settlement Class Member who timely submits a Proof of Claim Form electing to participate in the Settlement.

The Claims Committee has access to records from the Luzerne County Department of Juvenile Probation that identify every juvenile who appeared before former Judge Ciavarella at any time between January 1, 2003 and May 28, 2008. The Claims Committee also has access to records from

the Luzerne County Department of Domestic Relations that list all parents and/or natural guardians of juveniles who paid costs and fees in connection with their child's appearance(s) before former Judge Ciavarella at any time between January 1, 2003 and May 28, 2008. This Notice refers to the records from the Luzerne County Department of Juvenile Probation and Luzerne County Department of Domestic Relations as "the Records." The Records will verify whether you are an eligible Settlement Class Member.

After you submit your completed Proof of Claim Form, and any required additional documents, the Claims Committee will review your information. Eligible Settlement Class Members are those juveniles and parents who qualify to receive a portion of the Cash Settlement Fund.

- ➔ **If you are <u>not</u> a Settlement Class Member**, meaning that you <u>do not</u> qualify for payment from the Cash Settlement Fund, you will receive a written notice to that effect from the Claims Committee. In the event you receive notice that you are not a Settlement Class Member, it is likely because your name does not appear in the Records or the Records do not show that you are a Settlement Class Member as defined above. You will have thirty (30) days from the date of the notice to submit written documentation establishing that you, or your child, was adjudicated delinquent or placed by former Judge Ciavarella at any time between January 1, 2003 and May 28, 2008.

- ➔ **If you are a Settlement Class Member,** meaning that you <u>do</u> qualify for payment from the Cash Settlement Fund, the Claims Committee will send you a proposed payment amount with a written explanation.

HOW WILL I KNOW WHAT AMOUNT I AM QUALIFIED TO RECEIVE FROM THE CLASS SETTLEMENT FUND?

Based upon your responses on the Proof of Claim Form, the information in the Records, and any other written documentation you provide in support of your responses on the Proof of Claim Form, the Claims Committee will determine the amount you are qualified to receive from the Cash Settlement Fund in accordance with the procedure set forth at pages 6-7, below.

PROOF OF CLAIM FORM

You must answer questions on the attached Proof of Claim Form so that the Claims Committee can determine (1) whether you are a Settlement Class Member and, if so, (2) what Benefit Fund you qualify for, and (3) what portion of that Benefit Fund you are eligible to receive. The answers you provide in the Proof of Claim Form, in addition to information from the Records, will also allow the Claims Committee to assess whether you are eligible for a portion of the Enhanced Benefit Fund, explained in more detail below.

EXPLANATION OF BENEFIT FUNDS – PLAN OF ALLOCATION

The Cash Settlement Fund will be allocated, or divided, among qualifying Settlement Class Members from the Benefit Funds described below. This Notice refers to the division of funds as the Plan of Allocation.

1. **PROBATION BENEFIT FUND.** Each qualifying Juvenile Settlement Class Member who never spent any time in PACC, WPACC, or any other juvenile detention facility as a result of an adjudication by former Judge Ciavarella during the period from January 1, 2003 through May 28, 2008 shall receive a payment of $500.

   The Probation Benefit Fund shall be $410,000. In the event the Probation Benefit Fund is not depleted by required distributions, the balance shall be added to the Enhanced Benefit Fund.

2. **NON-PACC/WPACC BENEFIT FUND.** Each qualifying Juvenile Settlement Class Member who was placed in a detention facility as a result of an adjudication or placement by former Judge Ciavarella during the period from January 1, 2003 through May 28, 2008, but who never spent any time in PACC and/or WPACC, shall receive a payment of $1,000.

   The Non-PACC/WPACC Benefit Fund shall be $820,000. In the event the Non-PACC/WPACC Benefit Fund is not depleted by required distributions, the balance shall be added to the Enhanced Benefit Fund.

3. **PACC/WPACC BENEFIT FUND.** Each qualifying Juvenile Settlement Class Member who was placed in PACC or WPACC as a result of an adjudication or placement by former Judge Ciavarella during the period from January 1, 2003 through May 28, 2008 shall receive a payment of $5,000.

   The PACC/WPACC Benefit Fund shall be $3,650,000. In the event the PACC/WPACC Benefit Fund is not depleted by required distributions, the balance shall be added to the Enhanced Benefit Fund.

4. **PARENT AND/OR NATURAL GUARDIAN BENEFIT FUND.** Each qualifying Parent Settlement Class Member who, as a result of their child's adjudication or placement by former Judge Ciavarella during the period from January 1, 2003 through May 28, 2008, (i) made payments to Luzerne County or had wages, social security or other entitlements garnished or withdrawn by Luzerne County; or (ii) had court-ordered services or pay court-ordered costs, fees, interest, and/or penalties assessed against them or their child, shall receive the actual amount of monies paid, garnished, or withdrawn.

The Parent and/or Natural Guardian Benefit Fund shall be $500,000. In the event the Parent and/or Natural Guardian Benefit Fund is not depleted by required distributions, the balance shall be added to the Enhanced Benefit Fund.

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5. **ENHANCED BENEFIT FUND.** A portion of the total Cash Settlement Fund shall be reserved for the Enhanced Benefit Fund to compensate Juveniles with specified unique situations. Affirmative answers to the Enhanced Benefit Fund questions in the Proof of Claim Form will, in various combinations, be assigned certain numbers of points. The Claims Committee will then add the points for all Settlement Class Members qualifying for the Enhanced Benefit Fund and divide the available portion of the Cash Settlement Fund by the total number of points to arrive at the cash value of each Enhanced Benefit Fund point.

   The Enhanced Benefit Fund shall be at least $8,035,000.

   Enhanced benefits will be based on the factors below as documented in the Records or other supporting documents provided by you:

   - Age
   - Number of juvenile petitions
   - Number of days spent at PACC and/or WPACC
   - Number of days spent in placement at facilities other than PACC or WPACC
   - Physical injury or illness, for which you received treatment from a healthcare provider, while detained or placed at PACC or WPACC and/or as a result of your detention or placement at PACC or WPACC by former Judge Ciavarella during the period from January 1, 2003 through May 28, 2008.
   - Psychological or emotional harm, for which you received treatment from a licensed professional, while you were detained or placed at PACC or WPACC or as a result of your detention or placement at PACC or WPACC by former Judge Ciavarella during the period from January 1, 2003 through May 28, 2008.
   - Adverse effects on your educational progress as a result of having been detained or placed at PACC or WPACC by former Judge Ciavarella during the period from January 1, 2003 through May 28, 2008.
   - Suicide as a result of having been detained or placed at PACC or WPACC by former Judge Ciavarella during the period from January 2003 through May 28, 2008.

   Juveniles shall not seek an award from the Enhanced Benefit Fund without a good faith basis for asserting such a claim.

   After Settlement Class Members qualifying for payment from the Enhanced Benefit Fund receive payments, and after all disputes have been resolved, any money remaining (as a result of, for example, uncollected claims) will be paid on a pro rata basis to the Settlement Class Members who qualify for the Enhanced Benefit Fund.

HOW MAY I DISPUTE THE AMOUNT I WAS OFFERED?

If you qualify as a Settlement Class Member, file a Proof of Claim Form, and believe the amount you were assigned by the Claims Committee was wrongly determined, you can dispute this amount in the following way.

The Court will appoint a Special Master for Allocation Appeals who will independently review your dispute. The Special Master will re-assess the Claims Committee's decision. This reassessment will include a complete review of your Proof of Claim Form, the information available in the Records, and any additional written documentation provided by you in support of your claim. If appropriate, the Special Master will make adjustments to the amount assigned by the Claims Committee under the terms of the Plan of Allocation.

The determinations made by the Special Master are final and shall not be subject to any further review or appeal.

I. IF YOU QUALIFY AS A SETTLEMENT CLASS MEMBER -- AND -- YOU WISH TO PARTICIPATE IN THIS SETTLEMENT, YOU MUST SUBMIT A PROOF OF CLAIM FORM

Complete a **Proof of Claim Form** attached to this Notice and submit to the Claims Committee below by _____ [75 days after the Court has entered its Preliminary Approval Order]:

Claims Committee
c/o Sol H. Weiss, Esquire
Adrianne E. Walvoord, Esquire
Anapol Schwartz
1710 Spruce Street
Philadelphia, PA 19103
(215) 735-2098

A separate Proof of Claim Form, together with any required documentation as identified on the form, must be submitted for each Settlement Class Member – whether a Juvenile Class Member or a Parent Class Member – participating in this Settlement.

You can also obtain a Proof of Claim Form at www.kidswinsettlement.com or call toll-free 1-866-510-3030 and request that the Claims Committee send you a Proof of Claim Form.

II. IF YOU QUALIFY AS A SETTLEMENT CLASS MEMBER -- AND -- YOU DO NOT WISH TO PARTICIPATE IN THE SETTLEMENT, YOU CAN EITHER:

1. DO NOTHING

If you do nothing and do not return a completed Proof of Claim Form by the Proof of Claim Deadline on DATE [75 days after the Court has entered its Preliminary Approval Order], you will not receive a portion of the Cash Settlement Fund. You will be bound by all terms of the Agreement and give up your rights to pursue present and future claims and lawsuits against the Released Parties, including the Mericle Parties and the Luzerne County Parties, arising from the events related to these Released Claims. Your case will be dismissed with prejudice against the Released Parties. However, claims against certain Non-Released Parties that are still in the Actions, including PA Child Care, LLC, Western PA Child Care, LLC, Mid-Atlantic Youth Services, Inc., Robert J. Powell, Powell Law Group P.C., Beverage Marketing of PA., Inc., Pinnacle Group of Jupiter, LLC, Vision Holdings, LLC, Mark A. Ciavarella, and Michael T. Conahan will not be affected.

2. OPT OUT OF THE SETTLEMENT

If you choose to "Opt-Out" of the Settlement, indicate in the appropriate area on the Proof of Claim Form that you wish to "Opt-Out" and return the Proof of Claim Form to the Claims Committee by DATE [75 days after the Court has entered its Preliminary Approval Order].

To Opt-Out means that you will receive no payment from the Cash Settlement Fund. However, if you Opt-Out you will keep the right to sue, or continue to sue, the Released Parties, on your own or with your own attorney, about the legal issues in this case.

NOTE → If you Opt-Out and you wish to pursue your claims against the Mericle Parties, on your own or with your own attorney, you will be required to participate in confidential non-binding mediation with the Mericle Defendants at some point during the ninety (90) days following the deadline to return your Proof of Claim Form.

NOTE → If you wish to Opt-Out but do not submit a Proof of Claim Form indicating your desire to opt-out by _____ [75 days after the Court has entered its Preliminary Approval Order], you will not receive a portion of the Cash Settlement Fund; you will be bound by all terms of the MSA and give up your rights to pursue present and future claims and lawsuits against the Released Parties, including the Mericle Parties and the Luzerne County Parties, arising from the events related to these Actions; and your case will be dismissed with prejudice against the Released Parties. However, claims against certain Non-Released Parties that are still in the Actions, including PA Child Care, LLC, Western PA Child Care, LLC, Mid-Atlantic Youth Services, Inc., Robert J. Powell, Powell Law Group P.C., Beverage Marketing of PA., Inc., Pinnacle Group of Jupiter, LLC, Vision Holdings, LLC, Mark A. Ciavarella, and Michael T. Conahan will not be affected.

III. IF YOU QUALIFY AS A SETTLEMENT CLASS MEMBER -- AND -- YOU DO NOT BELIEVE THE SETTLEMENT IS FAIR -- BUT -- YOU STILL WANT TO PARTICIPATE IN THE SETTLEMENT IF IT ULTIMATELY IS APPROVED BY THE COURT, YOU MAY:

1. WITHIN 75 DAYS OF THE COURT'S PRELIMINARY APPROVAL OF THE SETTLEMENT, OBJECT TO THE SETTLEMENT IN WRITING

If you qualify as a Settlement Class Member, you can object to the Settlement if you do not like some or all of it. You can give reasons why you think the Court should not approve it. The Court will consider your views.

To object, you must send your completed Proof of Claim Form and required documentation, together with a letter saying that you object to the Settlement, to the Claims Committee. In your letter, be sure to include your (1) name; (2) address; (3) telephone number; (4) reasons you object to the Settlement; and (5) signature. Mail your Proof of Claim Form and letter objecting to the Settlement to the Claims Committee so that it is received by DATE [74 days after the Court has entered its Preliminary Approval Order because the Claims Committee must file the objections with the Court 75 days after]. The Claims Committee must file any objections with the Court by _____ [75 days after the Court has entered its Preliminary Approval Order].

➔ ***What's the difference between objecting and opting-out?*** Objecting is telling the Court that you do not like something about the settlement. You can object only if you participate in the Settlement, *i.e.*, timely submit a completed Proof of Claim Form. If you Opt-Out, you are telling the Court that you do not want to participate in the Settlement. If you Opt-Out, you may not object to the Settlement because the Settlement no longer affects you.

2. ATTEND A HEARING TO OBJECT TO THE SETTLEMENT

The Court will hold a hearing to decide whether to finally approve the Settlement. You may attend and you may ask to speak, but you don't have to.

➔ ***When and Where.*** The exact date and location of the hearing are unknown, although the hearing will be after all Proof of Claim Forms and objections have been submitted. We will post the date and location on www.kidswinsettlement.com as soon as the Court announces them.

➔ After the hearing, the Court will decide whether to finally approve the Settlement. We do not know how long it will take for the Court to decide.

**** You have a right to select a lawyer of your choosing for the purpose of assisting you in determining whether you wish to participate, object, opt-out, or dispute your proposed payment amount.**

If you are a JUVENILE who appeared before former Judge Mark A. Ciavarella Jr. at any time from January 1, 2003 through May 28, 2008

--- or ---

If you are the PARENT/GUARDIAN OF A JUVENILE who appeared before former Judge Ciavarella during this time,

YOU COULD RECEIVE BENEFITS FROM A SETTLEMENT with Robert K. Mericle and Mericle Construction, Inc.

A partial settlement has been entered into on behalf of juvenile and parent/guardian Settlement Class Members with Mericle Construction, Inc. and its president, Robert K. Mericle (referred to in this notice as the "Mericle Defendants"). The Mericle Defendants will pay $17.75 million into a Cash Settlement Fund with the potential of up to an additional $1.75 million. This Notice is a description of important terms of the Master Settlement Agreement ("MSA" or "Agreement"), but it does not set forth every term of that Agreement or modify that Agreement. You may obtain a copy of the entire MSA at www.kidswinsettlement.com.

If you believe you qualify to receive a payment as part of this settlement, you may submit a Proof of Claim form to get benefits, exclude yourself from this partial settlement, or object to it.

The United States District Court for the Middle District of Pennsylvania authorized this notice. The Court will have a hearing to consider whether to approve this settlement, so that the benefits may be paid.

WHO'S INCLUDED?

You are a Juvenile Settlement Class Member or Parent/Guardian Settlement Class Member, as defined in the MSA, if you fall into either of the following groups:

- **Juvenile Settlement Class Members:** all juveniles who appeared before former Judge Ciavarella at any time between January 1, 2003 and May 28, 2008 and who were adjudicated delinquent and/or placed in a detention center by former Judge Ciavarella.
- **Parent Settlement Class Members:** all parents and/or legal guardians of Juvenile Settlement Class Members who made payments as a result of his or her child's adjudication or placement.

WHAT'S THIS ABOUT?

Various class action lawsuits and individual lawsuits were filed against the Mericle Defendants and other defendants. The lawsuits allege that the Mericle Defendants and other defendants violated the Juveniles' constitutional rights, the Racketeer Influenced and Corrupt Organizations Act ("RICO"), and Pennsylvania law.

This settlement resolves all claims against the Released Parties, which includes the Mericle Parties and Luzerne County Parties. The Mericle Defendants have not admitted to doing anything wrong, and the Court has not found that the Mericle Defendants have done anything wrong. However, the Mericle Defendants wish to enter into this MSA to release the Released Parties, as defined in the MSA, from any potential liability and to end all further litigation by the Juveniles and the Parents against these parties.

The class action and individual lawsuits will continue against certain Non-Released Parties, as defined in the MSA, including the former Judges Ciavarella and Conahan, Robert Powell, PA Child Care ("PACC") and Western PA Child Care ("WPACC").

HOW DO I RECEIVE A PAYMENT?

You must submit a Proof of Claim form to the Claims Committee in order to receive a payment. You will also have to sign an authorization to release records to the Claims Committee so it can verify your information and calculate your payment.

The Proof of Claim Form must be submitted to the Claims Committee post-marked no later than _____. You will not be permitted to participate in the Settlement if you miss this deadline.

HOW MUCH WILL I RECEIVE?

Settlement Class Category	Base Award
1. Probation Only	**$500**
2. Non-PACC/WPACC [if you were adjudicated and placed in a facility other than PACC and/or WPACC, you fall in this category]	**$1000 *****
3. PACC/WPACC [if you were adjudicated and placed in PACC and/or WPACC for any period of time, you fall in this category]	**$5000 *****
4. Parents/Guardians	**actual amount paid**

*******May be entitled to the **Enhanced Benefit Fund**. See www.kidswinsettlement.com for complete information.

WHAT ARE MY OTHER OPTIONS?

If you do not want to be legally bound by this settlement, you must exclude yourself – or opt-out – by _____. If you opt-out, you cannot get money from this settlement and may continue individually to proceed against the Mericle Defendants. If you want to be included in the settlement but do not agree to all the terms, you can object. The complete notice describes how to opt-out or object.

FOR COMPLETE INFORMATION

For more information, visit www.kidswinsettlement.com, call toll-free 1-866-510-3030, or write to:

Claims Committee
Anapol Schwartz
1710 Spruce Street
Philadelphia, PA 19103

Exhibit B

to the Master Settlement Agreement

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

H.T., et al.,	:	
	:	
Plaintiffs,	:	CIVIL ACTION
	:	
v.	:	NO. 3:09-CV-357
	:	
CIAVARELLA, et al.,	:	The Honorable A. Richard Caputo
	:	
Defendants.	:	

CONWAY, et al.,	:	
	:	
Plaintiffs,	:	CIVIL ACTION
	:	
v.	:	NO. 3:09-CV-291
	:	
CONAHAN, et al.,	:	The Honorable A. Richard Caputo
	:	
Defendants.	:	

WALLACE, et al.,	:	
	:	
Plaintiffs,	:	CIVIL ACTION
	:	
v.	:	NO. 3:09-CV-0286
	:	
POWELL, et al.,	:	The Honorable A. Richard Caputo
	:	
Defendants.	:	

HUMANIK,	:	
Plaintiff,	:	CIVIL ACTION
v.	:	NO. 3:09-CV-0630
CIAVARELLA, et al.,	:	The Honorable A. Richard Caputo
Defendants.	:	

ORDER CONDITIONALLY CERTIFYING SETTLEMENT CLASS AND PRELIMINARILY APPROVING PROPOSED SETTLEMENT

Upon review and consideration of the Motion for Preliminary Approval, brief in support thereof and the attached Master Settlement Agreement ("MSA") dated December 16, 2011 and the exhibits thereto (collectively, the "Settlement Documents"), it is hereby ORDERED as follows:

Preliminary Approval of the Master Settlement Agreement and Conditional Certification of Settlement Classes

1. This Order incorporates by reference the definitions in the MSA on file with this Court, and all capitalized terms used herein that also appear in the MSA are intended to have the meanings set forth in the MSA.

2. The Court has jurisdiction over the Actions, each of the Parties and all members of the proposed Settlement Classes.

3. The terms of the MSA, including the exhibits, are preliminarily approved, subject to further consideration at the Settlement Hearing provided for below. The Court preliminarily finds that the settlement terms set forth in the MSA are sufficiently within the range of

reasonableness, such that notice of the Settlement in the form presented to this Court as Exhibit A to the MSA should be disseminated to all members of the proposed Settlement Classes.

4. The Court preliminarily finds for settlement purposes only, and subject to final determination at the Settlement Hearing provided for below, that the proposed Settlement Classes meet the requirements of Rule 23(b)(3) of the Federal Rules of Civil Procedure. Therefore, for purposes of settlement only, and pending Final Judicial Approval, the Court conditionally certifies the Settlement Classes, and in particular,

(1) the Juvenile Settlement Class consisting of:

> all juveniles who appeared before former Luzerne County Court of Common Pleas Judge Mark A. Ciavarella Jr. between January 1, 2003 and December 31, 2008 who were adjudicated or placed by Ciavarella; and

(2) the Parent Settlement Class consisting of:

> all parents and/or guardians of all juveniles who appeared before former Luzerne County Court of Common Pleas Judge Mark A. Ciavarella Jr. between January 1, 2003 and December 31, 2008 and who, in connection with their child's appearance: (i) made payments or had wages, social security or other entitlements garnished or withdrawn, (ii) had costs, fees, interest and/or penalties assessed against them or their child; (iii) suffered any loss of companionship and/or familial integrity.

For purposes of Fed. R. Civ. P. 23(c)(1)(B), all claims asserted in the Actions are certified for class treatment, for settlement purposes only.

5. The Court finds on a preliminary basis that the Representative Plaintiffs are proper class representatives for the Settlement Classes as their claims are typical of those of

other all members of the proposed Settlement Classes and involve common questions or law and fact. Further, Representative Plaintiffs appear to have no conflicts of interest with other all members of the proposed Settlement Classes.

6. The Court finds on a preliminary basis that the law firms of Hangley Aronchick Segal Pudlin & Schiller; Caroselli, Beachler, McTiernan & Conboy, LLC; Anapol Schwartz; and Juvenile Law Center, acting as Class Counsel, are competent and experienced counsel and as such will adequately represent the interests of the all members of the proposed Settlement Classes.

7. If the MSA is terminated, the foregoing conditional certification of the Settlement Classes, appointment of Representative Plaintiffs as class representatives, and approval of Class Counsel shall be void and of no effect and the Parties to the MSA shall be returned to the status each occupied before entry of this Order.

8. Pursuant to Rule 23(e)(1) of the Federal Rules of Civil Procedure, Class Counsel and Individual Plaintiffs' Counsel shall cause the Notice to be given to the all members of the proposed Settlement Classes.

(a) The Court finds that the Mailed Notice and the Published Notice, attached to the MSA at Exhibit A, and the Settlement Hearing provide appropriate notice to the conditionally certified Settlement Classes.

(b) Class Counsel and Individual Plaintiffs' Counsel shall disseminate the Mailed Notice to the last known addresses of all individuals in the Settlement Classes.

(c) The Luzerne County Juvenile Probation Department shall, within ten (10) days of the date of this Order, provide to Class Counsel a list of the last known mailing address of each juvenile whose adjudications were vacated and/or records expunged in accordance with the Pennsylvania Supreme Court's October 29, 2009 and March 29, 2010 orders. *See In re J.V.R.*, 81 M.M. 2008, Order ¶¶ 3-4 (Pa. Oct. 29, 2009) and Order, ¶ 3 (Pa. Mar. 29, 2010). The Luzerne County Juvenile Probation Department and the Domestic Relations branch of the Luzerne County Court of Common Pleas shall also promptly provide to Class Counsel its complete files for all individuals for whom Class Counsel provide signed releases.

(d) Class Counsel and Individual Plaintiffs' Counsel shall disseminate the Published Notice via publication in the *Times Leader* and the *Citizens Voice*.

(e) The dissemination of notice described above shall occur within fourteen (14) days of the date of the entry of this Order.

(f) Class Counsel and Individual Plaintiffs' Counsel shall bear the costs of notice.

9. Settlement Class Members of the conditionally approved Settlement Classes will have until the Opt-Out Deadline, or _____, 2012 (seventy-five (75) days from the date of entry of this Preliminary Approval Order) to exclude themselves from the Juvenile Settlement Class or Parent Settlement Class. To do so, Settlement Class Members shall

adhere to the provisions set forth in the Mailed Notice, the Published Notice and the Proof of Claim Form attached at Exhibits A and C to the MSA.

10. Any Settlement Class Member who does not properly and timely Opt-Out pursuant to the provisions set forth in the Mailed Notice, the Published Notice and the Proof of Claim Form attached at Exhibits A and C to the MSA, shall be included in the Juvenile Settlement Class or Parent Settlement Class and shall be bound by the MSA, regardless of whether such person participates in the Cash Settlement Fund.

11. On or before _____, 2012 ("Proof of Claim Deadline"), each Settlement Class Member who wishes to claim against the Cash Settlement Fund shall be required to submit a timely Proof of Claim, with the required documentation, as directed in the MSA and in the form attached at Exhibit C to the MSA.

12. Any Settlement Class Member who fails to file a proper and timely Proof of Claim shall forever be barred from receiving any distribution from the Cash Settlement Fund but will in all other respects be bound by the MSA if it is finally approved. Each Settlement Class Member that submits a proper and timely Proof of Claim shall be bound by the MSA if it is finally approved.

Settlement Hearing

13. Pursuant to Rule 23(e)(2) of the Federal Rules of Civil Procedure, a hearing on final settlement ("Settlement Hearing") will be held before this Court on _____, 2012 at _____ EST. At the Settlement Hearing, the Court will consider the following issues: (a) the fairness, reasonableness and adequacy of the MSA; (b) whether the Settlement Classes should remain certified for settlement purposes; (c) whether the

Court should approve awards of costs and attorneys' fees as described in fee applications submitted by Class Counsel; (d) whether entry of a Final Approval Order terminating the Actions should be entered; and (f) such other matters as the Court may deem necessary or appropriate.

14. All briefs and materials of any party in support of the Final Judicial Approval, as well as the fee petition and supporting papers, shall be served on the Court and all Parties at least _____ calendar days prior to the Settlement Hearing.

15. Any Settlement Class Member wishing to object to the MSA must submit to the Claims Committee a letter stating that he or she objects to the MSA, together with his or her Proof of Claim Form. The letter must be sent to that it is received by the Claims Committee no later than _____, 2012 (seventy-four (74) days after the Court has entered the Preliminary Approval Order). Service on the Claims Committee shall be by first class mail. No later than _____, 2012 (seventy-five (75) days after the Court has entered the Preliminary Approval Order), the Claims Committee must cause all such objections to be filed with the Court. All responses by the Parties to objections shall be filed and served by first class mail on the objecting person or his or her attorney no later than ten (10) days before the Settlement Hearing. Any Settlement Class Member who does not serve an objection as described in the Notice and this Order shall be deemed to have waived any such objection by appeal, collateral attack, or otherwise.

16. Judge Marina Corodemus (Ret.) is approved as the Special Master for Allocation Appeals, to resolve the claims of any Settlement Class Members who dispute the award made to them by the Claims Committee.

17. Nothing in this Order shall be construed as, or deemed to be, evidence of an admission or concession by the Released Parties as to the validity of any claim that was or could have been asserted or as to any liability by them as to any manner set forth in this Order. Neither this Order nor the MSA nor any other Settlement-related document shall constitute any evidence of admission of liability by the Released Parties, nor shall either the MSA, this Order or any other Settlement-related document be offered in evidence or used for any other purpose in this or any other matter or proceeding except as may be necessary to consummate or enforce the MSA or the terms of this Order, or if offered by the Released Parties in, *inter alia*, responding to any action purporting to assert Released Claims; provided, however, the Released Parties may use such documents insofar as it may be necessary or appropriate to establish the terms thereof.

IT IS SO ORDERED.

_____

Caputo, J.

Exhibit C

to the Master Settlement Agreement

EACH SETTLEMENT CLASS MEMBER PARTICIPATING IN THE SETTLEMENT – WHETHER A JUVENILE CLASS MEMBER OR A PARENT CLASS MEMBER – MUST SUBMIT A SEPARATE PROOF OF CLAIM FORM.

I. PERSONAL INFORMATION

Name: _____

Address: _____

_____

Email: _____

Home Phone No.: (____)_____-_____ Cell Phone No.: (____)_____-_____

Date of Birth: _____ SSN:_____-_____-_____

II. OPT-OUT RIGHT

You can elect to opt out of this Settlement and be free to legally pursue Robert K. Mericle and/or Mericle Construction, Inc., on your own or with your own attorney, and outside of the Settlement. To opt out means that you will receive no payment from the Cash Settlement Fund and you will not be a Settlement Class Member.

If you wish to opt out of the Settlement with Robert K. Mericle and Mericle Construction, Inc., please indicate below by signing your name.

DO NOT SIGN UNLESS YOU INTEND TO OPT-OUT. IF YOU OPT-OUT, YOU WILL NOT RECEIVE ANY BENEFITS UNDER THIS SETTLEMENT.

_____ _____
Signature of Settlement Class Member Date

_____ _____
Signature of Parent if Settlement Class Member is a Minor Date

***IF YOU OPT OUT OF THIS SETTLEMENT - STOP HERE. DO NOT ANSWER ANY ADDITIONAL QUESTIONS.**

IF YOU DO NOT OPT OUT, AND YOU WISH TO PARTICIPATE IN THE SETTLEMENT, CONTINUE TO THE NEXT PAGE.

If you have any questions, visit www.kidswinsettlement.com or call 1-866-510-3030

III. CATEGORIES FOR COMPENSATION

DIRECTIONS

On the questions below, check your response where indicated.

In order to determine whether you qualify for the Cash Settlement Fund, you must include your file from the Luzerne County Juvenile Probation Department -- OR -- sign the attached Release authorizing the Claims Committee to access your probation file. **You must submit either your file or the Release with your Proof of Claim Form.**

Note that this Form uses the following terms:

- "Ciavarella" refers to former Luzerne County Court of Common Pleas Judge Mark A. Ciavarella Jr.
- Being "adjudicated delinquent" is similar to being found guilty, but in Juvenile Court. An "adjudication" is a Juvenile Court Order adjudicating a youth delinquent based on an underlying juvenile petition. A Petition is a document containing all charges against a juvenile stemming from an alleged criminal act.
- "PACC/WPACC" refers to the juvenile detention and treatment facilities run by PA Child Care, LLC (in Luzerne County) and Western PA Child Care, LLC (in Butler County).
- A "NON-PACC/WPACC facility" is a juvenile detention or treatment facility (or other out-of-home placement facility) other than PACC/WPACC.

QUESTIONS

1. Are you a PARENT or a GUARDIAN of a child who appeared in the Luzerne County Juvenile Court before Ciavarella at any time during the period from January 1, 2003 through May 28, 2008?

   --OR--

   Are you a JUVENILE who appeared in the Luzerne County Juvenile Court before Ciavarella at any time during the period from January 1, 2003 through May 28, 2008?

   PARENT/GUARDIAN ____ JUVENILE ____

   ➔ If you are a PARENT/GUARDIAN, go to Questions 15-19.

   ➔ If you are a JUVENILE, continue on to Question 2.

2. Were you adjudicated delinquent (found guilty) by Ciavarella at any time between January 1, 2003 and May 28, 2008?

AND/OR

Were you placed outside the home as a result of your appearance before Ciavarella during the period from January 1, 2003 through May 28, 2008?

YES, I was adjudicated delinquent and/or placed outside the home ____

NO, neither ____

➔ If YES, continue to Question 3.

➔ If NO, you are NOT eligible to participate in this Settlement. ****STOP HERE**** You do not need to answer any additional questions.

3. Were you sent to or detained at any juvenile detention facility or any other residential facility as a result of your appearance before Ciavarella during the period from January 1, 2003 through May 28, 2008?

YES ____ NO____

➔ If YES, continue to Question 4.

➔ If NO, you are entitled to $500. ****STOP HERE**** You do not need to answer any additional questions.

4. Were you detained or placed at PACC/WPACC as a result of your appearance before Ciavarella during the period from January 1, 2003 through May 28, 2008?

YES____ NO____

➔ If YES, continue to Question 5.

➔ If NO -- *AND* -- you were detained at a NON-PACC/WPACC facility for 90 days or <u>more</u> as a result of your appearance before Ciavarella during the period from January 1, 2003 through May 28, 2008, continue to Question 5.

➔ If NO -- *AND* -- you were detained at a NON- PACC/WPACC facility for <u>less</u> than 90 days as a result of your appearance(s) before Ciavarella during the period from January 1, 2003 through May 28, 2008, you are entitled to $1000. ****STOP HERE**** You do not need to answer any additional questions.

5. At any time prior to May 28, 2008, including before January 1, 2003, were you ever adjudicated delinquent on (found guilty of) any of the following crimes: (1) rape; (2) arson of a dwelling; (3) any type of sexual assault; (4) any crime involving a firearm that was not a BB Gun; or (5) any other crime that you were originally charged with in adult criminal court or for which you appeared in adult criminal court?

YES____ NO____

➔ If YES, you are entitled to $5000. ****STOP HERE**** You do not need to answer any additional questions.

➔ If NO, continue to Question 6.

6. At any time prior to May 28, 2008, including before January 1, 2003, were you adjudicated delinquent (found guilty) based on four (4) or more separate juvenile petitions?

YES____ NO____

➔ If YES, you are entitled to $5000. ****STOP HERE**** You do not need to answer any additional questions.

➔ If NO, please answer all the questions in Section IV, Factors for the Enhanced Benefit Fund, below.

IV. FACTORS FOR THE ENHANCED BENEFIT FUND

Only check "YES" if you answer "YES" to all parts of a question. If your answer would be "NO" to any part of a question, you must check "NO."

7. Were you age 13 or younger at the time of your first offense for which you were adjudicated by Ciavarella or at the time of your first placement by Ciavarella during the period from January 1, 2003 through May 28, 2008?

YES____ NO____

8. From January 1, 2003 through May 28, 2008, were you adjudicated delinquent only once (based on only one (1) juvenile petition)?

-- *AND*--

Were you detained or placed at PACC/WPACC as a result of your appearance(s) before Ciavarella during the period from January 1, 2003 through May 28, 2008 for more than 10 days?

YES to both questions_____ NO_____

➔ If YES, was this single juvenile petition filed against you your FIRST offense?

YES_____ NO_____

9. From January 1, 2003 through May 28, 2008, were you adjudicated delinquent only twice (based on no more than two (2) separate juvenile petitions)?

-- *AND* –

Were you detained or placed at PACC/WPACC as a result of your appearance(s) before Ciavarella during the period from January 1, 2003 through May 28, 2008 for more than 25 days?

YES to both questions_____ NO_____

10. At any time prior to May 28, 2008, including before January 1, 2003, were you adjudicated delinquent three times or fewer (based on three (3) or fewer separate juvenile petitions)?

-- *AND* –

Were you detained or placed at PACC/WPACC as a result of your appearance(s) before Ciavarella during the period from January 1, 2003 through May 28, 2008 for at least one (1) day?

-- *AND* –

Were you detained or placed at a NON-PACC/WPACC facility as a result of your appearance(s) before Ciavarella during the period from January 1, 2003 through May 28, 2008 for more than 180 days?

YES to all three questions_____ NO_____

11. Did you suffer a physical injury or illness, for which you received treatment, either while you were detained or placed at PACC or WPACC or as a result of your detention or placement at PACC or WPACC by former Judge Ciavarella during the period from January 1, 2003 through May 28, 2008?

    Written documentation supporting your claim from a healthcare professional, or a signed authorization allowing the Claims Committee to obtain records from the healthcare professional, is necessary to receive enhancement points. Authorization forms may be obtained at www.kidswinsettlement.com.

    YES____ NO____

12. Did you suffer psychological or emotional harm, for which you received treatment from a licensed professional, either while you were detained or placed at PACC or WPACC or as a result of your detention or placement at PACC or WPACC by former Judge Ciavarella during the period from January 1, 2003 through May 28, 2008?

    Written documentation supporting your claim from a licensed mental health professional, or a signed authorization allowing the Claims Committee to obtain records from the licensed mental health professional, is necessary to receive enhancement points. Authorization forms may be obtained at www.kidswinsettlement.com.

    YES____ NO____

13. Was your educational progress adversely affected, including but not limited to loss of education credits or loss of a full or partial class year, as a result of your having been detained or placed at PACC or WPACC by former Judge Ciavarella during the period from January 1, 2003 through May 28, 2008?

    Written documentation supporting your claim from an appropriate professional, such as a school counselor or school administrator, or a signed authorization allowing the Claims Committee to obtain records from the appropriate professional, is necessary to receive enhancement points. Authorization forms may be obtained at www.kidswinsettlement.com.

    YES___ NO____

14. Were you **ONLY** detained or placed at a NON-PACC/WPACC facility for MORE than 90 days?

YES ____ NO____

V. PARENT PLAINTIFF COMPENSATION

15. Did your child commit suicide as a result of having been detained or placed at PACC or WPACC during the period from January 2003 through May 28, 2008?

Written documentation supporting your claim from an appropriate professional, or a signed authorization allowing the Claims Committee to obtain records from the appropriate professional, is necessary to receive enhancement points. Authorization forms may be obtained at www.kidswinsettlement.com.

YES____ NO____

16. Was your child adjudicated delinquent or placed by Ciavarella during the period from January 1, 2003 through May 28, 2008?

YES____ NO____

➔ If YES, continue to Question 17.

➔ If NO, you are NOT eligible to participate in this Settlement. ****STOP HERE**** You do not need to answer any additional questions.

17. What are the name(s) and date(s) of birth of your child(ren) who were adjudicated delinquent or placed by Ciavarella at any time during the period from January 1, 2003 through May 28, 2008?

Name D.O.B.

_____

_____

_____

_____

18. Did you make payments to Luzerne County or have wages, social security payments, unemployment compensation, or other entitlements garnished or withdrawn by Luzerne County as a result of your child's adjudication or placement by Ciavarella during the period from January 1, 2003 through May 28, 2008?

YES____ NO____

➔ If YES, state how much: _____

➔ If YES, attach all receipts and documentation of these payments, garnishments, or withdrawals.

19. Did you pay for court-ordered services or pay court-ordered costs, fees, interest, and/or penalties assessed against you or your child as a result of your child's adjudication or placement by Ciavarella during the period from January 1, 2003 through May 28, 2008?

YES____ NO____

➔ If YES, state how much: _____

➔ If YES, attach all receipts and documentation of these payments.

Instructions to Settlement Class Members:

- **Each Juvenile Settlement Class Member must submit a copy of his/her complete probation file and/or submit the release below.**
- **Each Parent Settlement Class Member who paid money to the Domestic Relations branch of the Luzerne County Court of Common Pleas must submit records and receipts of all payments made and/or submit the release below.**
- ***Each Settlement Class Member – Juvenile or Parent – must submit a separate release.***

AUTHORIZATION TO RELEASE CONFIDENTIAL COURT RECORDS AND INFORMATION

I, _____, hereby authorize
[Settlement Class Member or Parent/Guardian if Settlement Class Member is a Minor]

the Luzerne County Juvenile Probation Department and the Domestic Relations branch of the Luzerne County Court of Common Pleas, and their employees, agents, and legal counsel, to release records to the Settlement Claims Committee in the civil actions pending at *Wallace v. Powell*, No. 09-0286 (M.D. Pa.) (Caputo, J.), and to provide and discuss all records and information concerning the following individual:

Name of Settlement Class Member: _____

Address: _____

_____

_____

Phone Number: _____

Date of Birth: _____

Social Security Number: _____

For purposes of this Release, "Records" means all documents created, collected or maintained by the Luzerne County Juvenile Probation Department and the Domestic Relations branch of the Luzerne County Court of Common Pleas, including but not limited to:

1. Documents and forms signed by the above-named Settlement Class Member and/or the above-named Settlement Class Member's parent or guardian; notes, transcripts, reports, forms, or other electronic or written materials documenting any and all proceedings in the Luzerne County Juvenile Court involving the above-named Settlement Class Member, including but not limited to adjudicatory hearings,

disposition hearings, review hearings and probation revocation hearings; progress reports, medical, psychological and/or psychiatric evaluations, school records, treatment plans, Individual Service Plans (ISPs), incident reports, discharge recommendations, and discharge summaries, including but not limited to those prepared and/or submitted by a placement facility or other agency that supervised the above-named individual; police reports, allegation complaints, petitions alleging delinquency, summonses; and any and all written notes of interviews or meetings or other agency with above-named individual and/or above-named individual's parent(s) or guardian(s) family.

2. Documents sufficient to identify all monies paid the above-named Settlement Class Member, as a result of adjudications before former Judge Mark A. Ciavarella Jr., including, but not limited to, court costs, fees, fines, restitution, placement costs, electronic monitoring costs, and probation costs. These documents shall include, but not be limited to, the following: complaints filed by probation against the above-named Settlement Class Member named above for child support; court orders to pay child support; court orders to withhold income for support; income and expense statements regarding by the above-named Settlement Class Member; notices of payment owed by the above-named Settlement Class Member; receipts for payments made by the above-named Settlement Class Member; Participant Accounting Reports for the above-named Settlement Class Member; Account Statements for the above-named Settlement Class Member named above.

Copies of all documents should be sent to:

Claims Committee
c/o Sol H. Weiss, Esquire
Anapol Schwartz
1710 Spruce Street
Philadelphia, PA 19103.

A representative of the Claims Committee can be reached at 1-215-735-2098 or 1-866-510-3030.

I hereby consent and authorize this Release of records and information.

_____ _____

Signature of Settlement Class Member **Date**

_____ _____

Signature of Parent if Settlement Class Member is a Minor **Date**

Exhibit D

to the Master Settlement Agreement

REDACTED

ESCROW AGREEMENT

AGREEMENT made as of this 29th day of December, 2011, by and among Robert K. Mericle and Mericle Construction, Inc. (collectively, the "Mericle Parties"), Class Counsel as defined in the December 16, 2011 Master Settlement Agreement ("Class Counsel") and **PNC Bank, National Association** as escrow agent (the "Escrow Agent").

BACKGROUND

WHEREAS, lawsuits were filed against the Mericle Parties and others;

WHEREAS, the Mericle Parties deny the claims asserted against them in the lawsuits, including all charges of liability arising out of the allegations in the lawsuits;

WHEREAS, the Mericle Parties entered into the Master Settlement Agreement, dated December 16, 2011 (the "MSA") to fully and finally settle the lawsuits and agreed to fund a class settlement relieving them of all legal obligations to the Settlement Class Members as defined in the MSA.

NOW, THERFORE, in consideration of the foregoing and of the mutual covenants herein contained and intending to be legally bound hereby, the parties hereto agree as follows:

1. Appointment of Escrow Agent. The Escrow Agent is hereby appointed as escrow agent hereunder and agrees to act on the terms and subject to the conditions hereinafter set forth.

2. Establishment of Escrow Fund. As between the Mericle Parties and Class Counsel, no later than ten (10) business days after the execution of the Master Settlement Agreement, the Mericle Parties shall deposit with Escrow Agent the sum of $5,375,000 (which, together with any proceeds, income and reinvestments, as well as additional deposits made by the Mericle Parties in accordance with this Escrow Agreement, is hereinafter referred to as the "Escrow Fund"). Escrow Agent shall, at all times, hold the Escrow Fund subject to the terms and conditions of this Agreement.

As between the Mericle Parties and Class Counsel, no later than ten (10) business days after the Court's entry of the Preliminary Approval Order under the MSA, the Mericle Parties

shall deposit with the Escrow Agent an additional sum of $5,375,000 which shall be added to, and shall become a part of, the Escrow Fund.

As between the Mericle Parties and Class Counsel, no later than ten (10) business days after the Opt-Out Deadline (as determined under the MSA by the date of an order from the United States District Court for the Middle District of Pennsylvania), the Mericle Parties shall deposit with the Escrow Agent an additional sum of $7,000,000 which shall be added to, and shall become a part of, the Escrow Fund.

As between the Mericle Parties and Class Counsel, the Mericle Parties will also deposit with the Escrow Agent a sum no greater than fifty percent (50%) of the first $3,500,000, if any, actually recovered by the Mericle Defendants (as such term is defined in the MSA) based on their claims for defense costs and/or indemnity against Travelers Property and Casualty Company of America ("Travelers") pursuant to the general commercial liability and excess liability policies which are the subject of the Third Circuit Action (as such term is defined in the MSA) within five (5) business days of any such actual recovery. Any such amount shall be added to, and shall become a part of, the Escrow Fund.

3. Deposit and Investment of Escrow Fund.

(a) The Escrow Agent shall have no investment discretion over the Escrow Fund. The Escrow Agent shall deposit and invest the Escrow Fund into the PNC Advantage Treasury Money Market #434 (PAIXX). This deposit and investment direction may be altered only in a writing delivered to the Escrow Agent and signed by both Lewis A. Sebia, Esquire (on behalf of the Mericle Parties) and by Sol H. Weiss, Esquire (on behalf of Class Counsel) and agreed to in writing by the Escrow Agent.

(b) The parties hereto acknowledge and agree that the Escrow Agent, or an affiliate, may be a manager, promoter or placement agent for or may be separately and additionally compensated for providing underwriting services to PAIXX. The parties hereto, other than the Escrow Agent, hereby instruct Escrow Agent to vote all proxies in accordance with the proxy policy in effect from time to time for the Escrow Agent, unless

otherwise specifically instructed jointly by the parties. Each of said parties specifically acknowledges that it understands that this provision may involve the Escrow Agent's voting shares of mutual funds that pay fees to the Escrow Agent or its affiliates and that, in voting such shares, the Escrow Agent may be in a position to vote to change fees paid at the mutual fund level to itself or to an affiliate. The Escrow Agent shall have the right to make withdrawals from the Escrow Fund or liquidate any investments held in the Escrow Fund, in order to provide funds necessary to make required payments under this Escrow Agreement at such time or times as determined by the Escrow Agent in accordance with the terms of this Escrow Agreement. The Escrow Agent, in its capacity as escrow agent hereunder, shall have no liability for any loss sustained as a result of any investment of the Escrow Fund made pursuant to the written instructions of the parties hereto (as set forth above in Paragraph 3(a)) or as a result of any liquidation of any investment prior to its maturity, for the failure of said parties to give the Escrow Agent written instructions to invest or reinvest the Escrow Fund or any earnings thereon, or for any investment made by the Escrow Agent in the absence of written instructions from said parties.

(c) The Escrow Fund will be invested only in PNC Advantage Treasury Money Market #434 (PAIXX), the shares of which are not insured by the FDIC, are not deposits of or guaranteed by the Escrow Agent or any of its affiliates and are subject to investment risks, including the loss of principal. In addition, shares of money market mutual funds are neither insured nor guaranteed by the U.S. Government and there can be no assurance that a money market mutual fund will be able to maintain a stable net asset value of $1.00 per share.

4. Income. All income, including interest and dividends, earned on the Escrow Fund (hereinafter called the "Income") shall be added to, held in, and become a part of, the Escrow Fund.

5. Disposition of Escrow Fund. The Escrow Agent shall disburse the Escrow Fund only pursuant to written instructions, acceptable to the Escrow Agent, and signed by both

Lewis A. Sebia, Esquire (on behalf of the Mericle Parties) and by Sol H. Weiss, Esquire (on behalf of Class Counsel). The Escrow Agent shall, thereafter, transfer the funds to a separate account in PNC Bank's Treasury Management Department who will disperse funds to Class Members. If, however, Lewis A. Sebia, Esquire (on behalf of the Mericle Parties) and Sol H. Weiss, Esquire (on behalf of the Class Counsel) do not both agree upon and sign any such written instructions to the Escrow Agent directing the disbursement of the Escrow Fund, then, in any such event, the Escrow Agent shall not disburse the Escrow Fund, but rather shall continue to hold the same in escrow until directed to disburse the same pursuant to an order issued by the United States District Court for the Middle District of Pennsylvania.

6. Statements. During the term of this Agreement, the Escrow Agent shall provide the Mericle Parties and Class Counsel (at the addresses set forth in Paragraph 15 of this Escrow Agreement) with monthly statements containing the beginning balance in the Escrow Fund as well as all principal and income transactions for the statement period. The Mericle Parties and Class Counsel shall be responsible for reconciling such statements. The Escrow Agent shall be forever released and discharged from all liability with respect to the accuracy of such statements and the transactions listed therein, except with respect to any such act or transaction as to which the Mericle Parties and Class Counsel shall, within 90 days after making the statement available, file written objections with the Escrow Agent. The Parties are aware that Federal Regulations require the Escrow Agent, without charge and within one business day of its receipt of a broker/dealer confirmation for each security transaction in the Escrow Account(s) to forward to the Parties a written notification which discloses, among other things: the Escrow Agent's name, the Parties' name, the capacity (capacities) in which the Escrow Agent is acting, the date (and time, within a reasonable period, upon written request of the Parties) of execution, the identity, price, number of shares or units of principal amount of debt securities purchased or sold by the Parties, the name of the broker/dealer, the amount of any remuneration received by such broker/dealer and the amount of any remuneration received by the Escrow Agent. The Mericle Parties and Class Counsel are also aware that, under the terms of this Agreement, the Escrow Agent will be providing to them periodic statements that include a listing of all securities transactions, receipts and disbursements during the period, together with a current listing of the assets held in the Escrow Fund. The Mericle Parties and Class Counsel shall accept such

periodic statements in satisfaction of the Escrow Agent's obligation to provide written notification, as described above, provided that, upon request, the Escrow Agent will provide to the Mericle Parties and Class Counsel, within a reasonable time and at no additional cost, the information required by Federal Regulations.

7. Rights and Responsibilities of Escrow Agent. The acceptance by the Escrow Agent of its duties hereunder is subject to the following terms and conditions, which the parties to this Agreement hereby agree shall govern and control with respect to the Escrow Agent's rights, duties, liabilities and immunities:

(a) The Escrow Agent shall act hereunder as an escrow agent only, and it shall not be responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of any document furnished to the Escrow Agent or any asset deposited with it.

(b) The Escrow Agent may rely and shall be protected in acting or refraining from acting upon (and shall incur no liability for following the written instructions contained therein any written notice, written instruction or written request furnished to it hereunder signed by both Lewis A. Sebia, Esquire (on behalf of the Mericle Parties) and by Sol H. Weiss, Esquire (on behalf of Class Counsel) and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such written document signed by both Lewis A. Sebia, Esquire (on behalf of the Mericle Parties) and by Sol H. Weiss, Esquire (on behalf of Class Counsel). The Escrow Agent shall have no duty to solicit any payments which may be due to be paid into the Escrow Fund by any party.

(c) The Escrow Agent shall not be liable for any action taken or omitted by it unless a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the primary cause of any loss. In the administration of the escrow account hereunder, the Escrow Agent may execute any of its

powers and perform its duties hereunder directly or through agents or attorneys and may consult with counsel, including in-house counsel, accountants and other skilled persons to be selected and retained by it. The Escrow Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons, including in-house counsel.

(d) The Mericle Parties and Class Counsel agree to jointly and severally indemnify, defend and hold the Escrow Agent and its affiliates and each of their respective directors, officers, agents and employees (collectively, the "Indemnitees") harmless from and against any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out-of-pocket and incidental expenses and legal fees and expenses ("Losses") that may be imposed on, incurred by, or asserted against, the Indemnitees or any of them (i) for following any written instructions or other written directions upon which the Escrow Agent is authorized to rely pursuant to the terms of this Escrow Agreement; or (ii) in connection with or arising out of the Escrow Agent's performance under this Escrow Agreement provided, with respect to this clause (ii) only, the Indemnitees have not acted with gross negligence or engaged in willful misconduct. Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect, incidental, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. The provisions of this Section 7(d) shall survive the termination of this Escrow Agreement and the resignation or removal of the Escrow Agent for any reason.

(e) The Escrow Agent shall have no duties except those specifically set forth in this Agreement and shall not be subject to, nor have any liability or responsibility under, any other agreement or document the other parties hereto may be parties to or responsible for, nor shall Escrow Agent be required to make any determination under such other agreement or document (including any determination whether any party thereto has complied with its terms or is entitled to payment or to any other right or

remedy thereunder), even if same is referenced herein or copies have been given to the Escrow Agent.

(f) If, at any time, Escrow Agent is unable to determine, to Escrow Agent's sole satisfaction, the proper disposition of all or any portion of the funds held in the Escrow Fund or Escrow Agent's proper actions with respect to its obligations hereunder, or should any dispute arise between the parties hereto and others, or between the parties hereto themselves, it is understood and agreed that the Escrow Agent may petition (by means of an interpleader or any other appropriate measure) any Court or competent jurisdiction for instructions with respect to such uncertainty or dispute and the other parties hereto will hold the Escrow Agent harmless and indemnify it against all consequences and expenses that may be incurred by the Escrow Agent in connection therewith, which indemnity shall survive the termination of this Escrow Agreement or the resignation or removal of Escrow Agent.

8. Compensation. The fee of the Escrow Agent for its services hereunder shall be deducted from the Escrow Fund in the amount of a $2,000 each year as an administrative fee, $1,000 as a one time fee to open the account, and $900 as a one-time fee for document review by outside counsel.

9. Tax Identification Number; Indemnification as to Taxes, Penalties and Interest.

(a) All Income accrued in the Escrow Fund shall be held for the account of the Settlement Class, as defined in the MSA, upon final judicial review and shall be reported by the Settlement Class under applicable federal regulations using its tax identification number which is REDACTED.

(b) Without limiting the generality of any provision of this Agreement, the Mericle Parties and Class Counsel shall indemnify, defend and hold harmless the Escrow Agent against and in respect of any liability for taxes and for any penalties or interest in respect of taxes attributable to Income earned by the Escrow Fund.

10. Amendment. Except as provided in Section 3 above, this Agreement may not be amended or supplemented and no provision hereof may be modified or waived, except by an instrument in writing, signed by each of Lewis A. Sebia, Esquire (on behalf of the Mericle Parties), Sol H. Weiss, Esquire (on behalf of Class Counsel) and the Escrow Agent.

11. Termination. The purpose of this Escrow Agreement and the terms hereof shall terminate upon (a) the earliest to occur of (i) the Escrow Agent's receipt of written instructions signed by both Lewis A. Sebia, Esquire (on behalf of the Mericle Parties) and by Sol H. Weiss, Esquire (on behalf of Class Counsel) agreeing to terminate the Escrow Agreement, (ii) the Escrow Agent's receipt of notice of the failure to obtain final judicial approval of the MSA as set forth therein or (iii) the Escrow Agent's receipt of an order of final distribution under the MSA from the United States District Court for the Middle District of Pennsylvania, and (b) delivery of all of the Escrow Fund held hereunder by the Escrow Agent pursuant to the terms hereof. Upon the termination of this Agreement and upon the delivery of all of the Escrow Fund by the Escrow Agent, in accordance with the terms hereof, the Escrow Agent shall be relieved of any and all further obligations hereunder.

12. Resignation; Removal.

(a) The Escrow Agent may resign at any time by giving thirty (30) days written notice of such resignation to the Mericle Parties and Class Counsel (at the addresses set forth in Paragraph 15 hereof). If no successor Escrow Agent has been named at the expiration of the thirty (30) day period, the Escrow Agent shall have no further obligation hereunder except to hold the Escrow Fund as a depository. Upon written notification by the Mericle Parties and Class Counsel of the appointment of a successor, the Escrow Agent shall, upon payment of any and all fees and expenses due to Escrow Agent hereunder, promptly deliver the Escrow Fund and all materials in its possession relating to the Escrow Fund to such successor, and the duties of the resigning Escrow Agent shall thereupon in all respects terminate, and Escrow Agent shall be released and discharged from all further obligations hereunder.

(b) The Escrow Agent may be discharged from its duties as Escrow Agent under this Agreement upon thirty (30) days written notice from both the Mericle Parties and Class Counsel and upon payment of any and all fees due to Escrow Agent hereunder. In such event, the Escrow Agent shall be entitled to rely on written instructions signed by both Lewis A. Sebia, Esquire (on behalf of the Mericle Parties) and by Sol H. Weiss, Esquire (on behalf of Class Counsel) as to the disposition and delivery of the Escrow Fund.

(c) In the event of the termination of this Agreement or the resignation or removal of the Escrow Agent, the Escrow Agent shall have the right to retain for itself from the Escrow Fund an amount equal to the compensation due and owing to the Escrow Agent hereunder, plus any costs and expenses the Escrow Agent shall reasonably believe may be incurred by the Escrow Agent in connection with the termination of the Escrow Agreement or the transfer of the Escrow Fund.

13. Execution. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts together shall constitute one and the same instrument.

14. Miscellaneous. All covenants and agreements contained in this Agreement by or on behalf of the parties hereto shall bind and inure to the benefit of such parties and their respective heirs, administrators, legal representatives, successors and assigns, as the case may be, and all references to such parties herein shall be deemed also to refer to any successors, assigns, heirs, administrators and legal representatives of said parties, as the case may be. Except, as provided in Section 7(d), this Agreement is for the sole benefit of the parties hereto and their respective heirs, administrators, legal representatives, successors and assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. None of the parties may assign its rights under this Escrow Agreement, or assign or delegate its obligations hereunder, without the other parties' prior written consent. The headings

in this Agreement are for convenience of reference only and shall neither be considered as part of this Agreement, nor limit or otherwise affect the meaning hereof. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania. This Agreement represents the entire understanding of the parties hereto with respect to the subject matter contained herein and supersedes any and all other and prior agreements between them.

15. Notices. All notices and communications hereunder shall be in writing and shall be deemed to be duly given as of the date sent in the case of registered mail, return receipt requested, or certified mail, postage prepaid, or upon delivery in the case of personal delivery or delivery by overnight courier, or upon successful facsimile transmission as indicated by voice or electronic confirmation to the address below. Notwithstanding anything to the contrary herein, Escrow Agent shall not be bound by any notice unless actually received by Escrow Agent.

(a) If to the Mericle Parties:
Lewis A. Sebia, Esquire, Chief Operating Officer
c/o Mericle Commercial Real Estate Services
100 Baltimore Drive
East Mountain Corporate Center
Wilkes-Barre, PA 18702

(b) If to Class Counsel:
Sol H. Weiss, Esquire
1710 Spruce Street
Philadelphia, PA 19103

(c) If to Escrow Agent:

[PNC Bank, National Association]
(Address of Regional Office)

cc: ***PNC Bank Legal Department***
1600 Market Street, 28th Floor
Philadelphia, PA 19103

The balance of this page is intentionally left blank.

By signing below, Class Counsel certifies under penalty of perjury that:
The I.D. Number shown in this Agreement, [redacted] is the qualified settlement fund's correct taxpayer I.D. Number and is exempt from backup withholding.

CLASS COUNSEL UNDERSTANDS THAT THE INTERNAL REVENUE SERVICE DOES NOT REQUIRE PNC BANK'S CONSENT TO ANY PROVISION OF THIS AGREEMENT OTHER THAN THE CERTIFICATIONS REQUIRED TO AVOID BACKUP WITHHOLDING.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

BY: _____
The Mericle Parties
By: Lewis A. Sebia, Esquire
c/o Mericle Commercial Real Estate Services
100 Baltimore Drive
East Mountain Corporate Center
Wilkes-Barre, PA 18702

BY: _____
Class Counsel
By: Sol H. Weiss, Esquire
1710 Spruce Street
Philadelphia, PA 19103

[Add additional signature lines if necessary]

PNC Bank, National Association

By: _____, VP
620 Liberty Ave
Pittsburgh, PA 15218
Address

CERTIFICATE OF SERVICE

I, Daniel Segal, hereby certify that, on this 4th day of January, 2012, the foregoing Revised Exhibit D to the Master Settlement Agreement (replacing Doc. No. 1005-6) was filed and made available via CM/ECF to all counsel of record. Additionally, the foregoing was served by first-class mail upon the parties proceeding *pro se*:

Mark A. Ciaverella, 15008-067
Federal Correctional Institution
P.O. Box 5000
Pekin, IL 61555-5000

Michael T. Conahan
Inmate # 15009-067
FCI Coleman Low
P.O. Box 1031
Coleman, FL 33521

Robert J. Powell, Esquire
10 Fox Run Road
Drums, PA 18222

s/ Daniel Segal
Daniel Segal

Exhibit 2

HANGLEY ARONCHICK SEGAL & PUDLIN SCHILLER

Daniel Segal

Hangley Aronchick Segal Pudlin & Schiller
One Logan Square
27th Floor
Philadelphia, PA 19103-6933

E-mail: dsegal@hangley.com
Phone: 215.496.7003
Fax: 215.568.0300

Areas of Practice

Complex Civil Litigation (Chair, Firm Litigation Department)

Education

Harvard University Law School, Cambridge, Massachusetts, 1973, JD, *magna cum laude*

Yale University, New Haven, Connecticut, 1968, BA, *magna cum laude*
Major: Political Science and Economics

London School of Economics, London, England, 1969
Master of Science in International Relations with Honors

Clerkship

The Honorable Thurgood Marshall, Associate Justice of the United States Supreme Court, 1975-1976

Daniel Segal, a litigator, is a 1973 *magna cum laude* graduate of the Harvard Law School, where he was Executive Editor of the *Harvard Law Review*. Mr. Segal received his B.A. *magna cum laude* in 1968 from Yale University. In 1969, he received a Master of Science degree in international relations from the London School of Economics. From 1974 to 1975, Mr. Segal served as law clerk to the Honorable David Bazelon, Chief Judge of the United States Court of Appeals for the District of Columbia Circuit. From 1975 to 1976, he served as law clerk to the Honorable Thurgood Marshall, Associate Justice of the United States Supreme Court. From 1976 to 1979, Mr. Segal was Assistant Professor of Law at the University of Pennsylvania Law School, teaching juvenile justice, civil procedure and First Amendment law. He was the Thomas A. O'Boyle Adjunct Professor of Law at the Law School and has taught on a regular basis in the constitutional law area.

Mr. Segal is past President of the Juvenile Law Center, past President of the Auerbach Central Agency for Jewish Education, past President of Akiba Hebrew Academy and past Chair of the Philadelphia Soviet Jewry Council. He was Vice President of Hillel of Greater Philadelphia and President of the Board of Overseers of the University of Pennsylvania Hillel Foundation. He is a member of the International Board of the New Israel Fund.

Mr. Segal has been active in the Philadelphia Bar Association, having served as chair of its Commission on Judicial Selection and Retention. He has also served as a Settlement Master for the Philadelphia Court of Common Pleas. As chair of his firm's Litigation Department, Mr. Segal's practice includes complex civil litigation involving defamation, First Amendment, civil rights and liberties, juvenile justice, intellectual property, class actions, health care, professional ethics, education, securities, antitrust, academic research misconduct and employment.

The Honorable David Bazelon, Chief Judge of the United States Court of Appeals for the District of Columbia Circuit, 1974-1975

Bar Admissions

Pennsylvania, 1977

District of Columbia, 1981

United States District Court for the Eastern District of Pennsylvania, 1977

United States Court of Appeals for the Third Circuit, 1977

United States Supreme Court, 1977

Languages

Hebrew

Honors and Awards

- Law Review: Executive Editor, *Harvard Law Review*, 1972 – 1973
- Master of the Bench of University of Pennsylvania Law School American Inn of Court
- Ranked as a leading civil litigator in Pennsylvania in Chambers USA American Leading Lawyers for Business, 2006-2011
- Jewish Social Policy Action Network (JSPAN) Social Justice Award

Recent Publications

- Daniel Segal & John S. Stapleton, *U.S. Supreme Court's Splintered Decision on State Voter ID Law: More Questions Than Answers*, The Legal Intelligencer & Pennsylvania Law Weekly (Litigation Supplement), July 14, 2008.

Representative Reported Cases

- *Computer Aid, Inc. v. Hewlett Packard Co.*, 56 F. Supp. 2d 526 (E.D. Pa. 1999)
- *Conrail v. United States*, 883 F.Supp. 1565 (S. Ct. Reg. Rail Reorg. 1995)
- *Craig v. Lake Asbestos of Quebec*, Ltd., 843 F.2d 145 (3d Cir. 1988)
- *General Refractories Co. v. Fireman's Fund Ins. Co.*, 806 A.2d 469 (Pa Super 2002)
- *Goodman v. Lukens Steel*, 482 U.S. 656 (1987)
- *Lutz v. Chromatex, Inc.*, 730 F.Supp. 1328 (M.D. Pa. 1990)
- *McDermott v. Biddle*, 436 Pa. Super, 94, 647 A.2d 514 (Pa.)
- *Nazarewych v. Bell Asbestos Mines, Ltd.,* 19 Phila. 429, 1989 Phila. Cty. Rptr. LEXIS 43 (Pa. Super. 1989)
- *Phillips, et al. v. Selig, et al.,* 959 A.2d 420 (Pa. Super. 2008)
- *Strick v. AJF*, 532 F.Supp. 951 (E.D. Pa. 1982)
- *United States v. American Color and Chemical*, 858 F.Supp. 445 (M.D. Pa. 1994)
- *United States v. Chromatex, Inc.*, 832 F. Supp. 900 (M.D. Pa. 1993)

Representative Clients

- Anderson Kill & Olick
- Buchanan Ingersoll & Rooney PC
- Charter Consolidated, Inc.
- Chimeric Therapies, Inc.
- Chromatex, Inc.
- City of Philadelphia
- Class of African American employees at Lukens Steel Co.
- Clear Channel, Inc.
- Commonwealth of Pennsylvania Department of Public Welfare
- Drexel University
- General Dynamics Electric Boat
- General Refractories Company
- The Gorgonz Group Inc.
- Matflex, Inc.
- Metroweek, Inc.
- Norbord, Inc.
- Philadelphia City Paper
- Parmalat, Inc.
- Redevelopment Authority of the City of Philadelphia

- SGL AG
- Shapiro Sher Guinot & Sandler
- Silgan Containers Corporation
- Temple University
- Wellman Industries

Professional Associations and Memberships

- Juvenile Law Center, President, 2000 - 2002
- New Israel Fund, International Member, 2007-present
- Philadelphia Bar Association Judicial Selection Commission, Chair, 1997 - 1998
- Philadelphia Bar Association, Municipal Courts Committee, Co-Chair, 1997 - 1998
- Philadelphia Bar Association, Member, 1979 - Present
- American Bar Association, Member, 1979 - Present
- Pennsylvania Bar Association, Member, 1979 - Present
- Hillel of Greater Philadelphia, Vice President, 2003 - Present
- University of Pennsylvania Hillel, President, 2005 - Present
- Auerbach Central Agency for Jewish Education, President, 1998 - 2000
- Akiba Hebrew Academy, President, 1993 - 1995
- Soviet Jewry Council of Philadelphia, Co-Chair, 1983 - 1986

Teaching/Lecturing

- CLE Courses: Public Access to Judicial Records, Philadelphia Bar Association, June 1994
- CLE Courses: Confidentiality Orders, Philadelphia Bar Association, June 1995
- CLE Courses: Federal Written and Oral Discovery, Philadelphia Bar Association, April 1996
- CLE Courses: Federal Discovery, Philadelphia Bar Association, February 1997
- CLE Courses: Federalism, Philadelphia Bar Association, January 1998
- CLE Courses: What's at Stake in the Upcoming Supreme Court Term, October 2005
- Philadelphia's Legal Crisis, Presentation to Outdoor Advertising Association of America, April 2006
- The Developing Relationship Between Insurance Claims Executives and Outside Counsel, Presentation to Computer Services Corporation Claims Executive Forum, April 2007

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Attorney William Caroselli is a partner in the Pittsburgh law firm of Caroselli, Beachler, McTiernan & Conboy, LLC.He concentrates his practice on personal injury law, toxic torts and complex litigation, as well as arguing complex matters before the Pennsylvania appellate courts.Attorney Caroselli is a member and Past President of the Allegheny County Academy of Trial Lawyers, a member and past President of the Pennsylvania Trial Lawyers Association, a Fellow of the International Academy of Trial Lawyers, the American College of Trial Lawyers, The American Board of Trial Advocates, and is also a member of the American Association for Justice, where he served on its Executive Committee.Attorney Caroselli is Executive Trustee of LAWPAC, a past Chair of the Disciplinary Board of the Supreme Court of Pennsylvania and also served as a member of the Pennsylvania Supreme Court Civil Procedural Rules Committee.He has participated in many continuing legal education programs for the Pennsylvania Bar Institute, Pennsylvania Trial Lawyers Association, the American Bar Association, the Allegheny County Bar Association and the Pennsylvania Defense Institute.

Attorney Caroselli has been listed in the *Best Lawyers in America* since 1987 and is presently listed in six categories:Bet-the-Company Litigation, Commercial Litigation, Medical Malpractice, Personal Injury Litigation, Product Liability and Workers' Compensation. In 1999, he was a finalist for the Trial Lawyers for Public Justice Trial Lawyer of the Year award for his work in the Apollo, Pennsylvania nuclear radiation cancer litigation.In 2009, Attorney Caroselli had two of the fifty largest verdicts and settlements in Pennsylvania.In 2004 - 2006, the Pennsylvania Law Journal named him as one of Pennsylvania's 100 Super Lawyers.He graduated with a B.A. from Brown University and received his J.D. from The Dickinson School of Law of Pennsylvania State University where he is a member of the Board of Counselors.In 2010 he was selected as 2011 ***Best Lawyers' Pittsburgh Product Liability Lawyer of the Year.***

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CAROSELLI BEACHLER MCTIERNAN & CONBOY LLC

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Areas of Practice

- Medical Malpractice
- Personal Injury
- Toxic Torts
- Complex Civil Litigation
- Commercial Litigation
- Commercial Torts
- Gaming Law
- Appellate Practice
- Workers Compensation

Bar Admissions

- Pennsylvania, 1966
- U.S. District Court Western District of Pennsylvania, 1966
- U.S. District Court Middle District of Pennsylvania, 1966
- U.S. Court of Appeals District of Columbia Circuit, 1966
- U.S. Court of Appeals 3rd Circuit, 1966

Education

Dickinson School of Law of the Pennsylvania State University, Carlisle, Pennsylvania
J.D. - 1966

Brown University
A.B. - 1963

Published Works

- Pennsylvania Workers' Compensation Practice and Procedure Pennsylvania Bar Institute (1985), 1987

Honors and Awards

- Finalist, Trial Lawyer of the Year Award, Lawyers for Public Justice, 1999
- Best Lawyers in America, Bet- The- Company Litigation, Commercial Litigation, Medical Malpractice, Personal Injury, Product Liability, Workers Compensation, 1987 - 2011
- Pennsylvania Super Lawyers, 2004-2011
- Pennsylvania Top 100 Super Lawyers 2004-2006
- The American Association for Justice
- Fellow: International Academy of Trial Lawyers (Board of Directors, 1998-2003)
- Fellow: American College of Trial Lawyers
- American Board of Trial Advocates (Board of Directors, 1999)
- Best Lawyers' Pittsburgh Product Liability Lawyer of the Year for 2011
- Top 50 Lawyers Pittsburgh, Super Lawyers , 2004 - 2011

Professional Associations and Memberships

- American Bar Association, Member
- Allegheny County Bar Association, Member
- Allegheny County Bar Association Ethics Committee, Member, 1983-1986
- Allegheny County Bar Association Judiciary Committee, Chairperson, 1988 and Member 1981-1988
- Allegheny County Bar Association, Bench Bar Conference, Chairperson, 1970
- Pennsylvania Bar Association, Member

Pennsylvania Bar Association, Workmens' Compensation Section, Chairperson, 1986

Pennsylvania Bar Association, Member, Special Tort Reform Committee

American Association for Justice, Member; Executive Board, 2000-2001

American Association for Justice, Member; Board of Governors 1986-1988

American Association for Justice, State Committeeman, 1978-1980, 1985-1986; Executive Board 1999

Pennsylvania Association for Justice, President, 1985-1986

Pennsylvania Association for Justice, Trustee LAWPAC, 1980-Present

Western Pennsylvania Trial Lawyers Association, President, 1983

Academy of Trial Lawyers of Allegheny County, President 2007-2008

American Bar Foundation

Lawyers for Consumer Rights, President, 1986-1988

Appointments

Pennsylvania Supreme Court Civil Procedure Rules Committee, 1988-1994

Disciplinary Board of the Supreme Court of Pennsylvania, Member 1996-2002; Chair 1999-2000

Dickinson School of Law of The Pennsylvania State University, Board of Counselors

Pennsylvania Supreme Court, Special Ad Hoc Medical Malpractice Rules Committee, 2003

Governor's Health Reform & Medical Malpractice Committee, 2002

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Caroselli Beachler McTiernan & Conboy, L.L.C., has two Pennsylvania locations, Pittsburgh and Philadelphia. Our attorneys represent clients across Pennsylvania, in locations including Pittsburgh, Philadelphia, Butler, Beaver, Uniontown, Johnstown, Altoona, Bedford, Somerset, Kittanning, Indiana, McKeesport, Greensburg, Latrobe, Meadville, New Castle, Sharon, Mercer, Grove City, Erie, Oil City, Franklin, Warren, Clearfield, Washington, State College, Tyrone, Harrisburg and York. Our lawyers also represent clients across the country in asbestos litigation and toxic torts.

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E-mail: E-mail Me

Attorney David S. Senoff is a partner with Caroselli, Beachler, McTiernan & Conboy, L.L.C. and the managing attorney of the Philadelphia office. He is a 1989 graduate of Temple University and a 1992 graduate of the Temple University School of Law. At law school, Attorney Senoff co-founded and served as the Executive Editor of the Temple Political and Civil Rights Law Review and also served as a judicial intern for The Honorable Herbert Hutton of the United States District Court for the Eastern District of Pennsylvania.

In 2005, 2006 and 2007, Attorney Senoff was named one of Pennsylvania's "SuperLawyers Rising Stars" and then in 2008 - 2011, he was named as a Pennsylvania Super Lawyer by his peers for his professional achievements. Attorney Senoff was also selected for membership in the Million Dollar Advocates Forum in 2003 and the Multi-Million Dollar Advocates Forum in February 2008. Membership is limited to attorneys who have won million and multi-million dollar verdicts, awards and settlements for their clients. The award recognizes recipients' excellence in advocacy.

Attorney Senoff's practice focuses on insurance and HMO bad faith cases, class action litigation involving medical provider reimbursement for services, insurance coverage disputes and complex personal injury litigation including medical malpractice actions.

He has represented physicians in a class action lawsuit against health insurance companies and health maintenance organizations over reimbursements to physicians for medical care provided to patient subscribers, as well as a separate class action on behalf of dentists who were denied millions of dollars when insurance providers paid commissions to consultants with government money.

Attorney Senoff also represented the parents of a child who died of a drug overdose after being denied drug rehabilitation despite medical authorization. He also obtained an injunction barring a health insurance managed care organization from denying a first remission bone marrow transplant to a patient suffering from aggressive T-cell lymphoma. He also successfully mediated a civil rights and negligent supervision claim on behalf of a minor who was sexually abused while an in-patient at a residential treatment facility.

He has written extensively on the topics of managed care liability and has been published in The Legal Intelligencer and The Verdict.

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Attorney Senoff is admitted to practice before all courts in the Commonwealth of Pennsylvania and the State of New Jersey. He is also admitted to the United States Court of Appeals for the Third Circuit, the United States District Court for the Eastern District of Pennsylvania and the United States District Court of New Jersey. He is a member of the American Association for Justice, the Pennsylvania Association for Justice and the Philadelphia Trial Lawyers Association. He also serves as a Judge Pro Tempore in the Court of Common Pleas of Philadelphia.

Bar Admissions

Pennsylvania, 1992

New Jersey, 1992

U.S. District Court District of New Jersey, 1992

U.S. District Court Eastern District of Pennsylvania, 1993

U.S. Court of Appeals 3rd Circuit, 1992

Education

Temple University School of Law, Philadelphia, Pennsylvania

Temple University

Honors and Awards

Pennsylvania SuperLawyers 2008 - 2011

Pennsylvania Super Lawyers Rising Star 2005 - 2007

Member, Million Dollar Advocates, 2003 - Present

Multi-Million Dollar Advocates Forum, 2008 - Present

Professional Associations and Memberships

American Association for Justice

Pennsylvania Association for Justice

Philadelphia Trial Lawyers Association

Court of Common Pleas of Philadelphia, Judge Pro Tempore

Pennsylvania Association for Justice , Board of Governors, 2010 - Present

Pennsylvania Association for Justice, Co-Chair Insurance Bad Faith Section

Past Employment Positions

The Honorable Herbert Hutton of the United States District Court for the Eastern District of Pennsylvania, Judicial Intern

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CAROSELLI, BEACHLER, MCTIERNAN & CONBOY LLC

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CAROSELLI BEACHLER MCTIERNAN & CONBOY LLC

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1500 WALNUT STREET, SUITE 507
PHILADELPHIA, PA 19102
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PHONE: 215-792-6153
FAX: 215-609-1351

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ANAPOL SCHWARTZ
ATTORNEYS AT LAW

Sol H. Weiss

Shareholder
1710 Spruce Street
Philadelphia, PA 19103
(215) 735-2098
sweiss@anapolschwartz.com

Practice Areas

- Pharmaceutical Litigation
- Class Actions
- Securities Litigation and Stockbroker Claims
- Complex Civil Litigation
- Medical and other Professional Malpractice
- Products Liability

Professional Activities

- President, Eastern Chapter of the American Board of Trial Advocates
- Treasurer, J. Willard O'Brien Inns of Court at Villanova University Law School
- Mediator, United States District Court, Eastern District of Pennsylvania
- American, Pennsylvania and Philadelphia Bar Associations
- American, Pennsylvania and Philadelphia Trial Lawyers Associations
- Public Investors Arbitration Bar Association

Other Affiliations

- Board of Consultors, Villanova University School of Law
- Former Director, Linda Creed Breast Cancer Foundation

Sol H. Weiss, a Shareholder of Anapol Schwartz, is an experienced trial attorney known for his exacting preparation and attention to detail. A "lawyer's lawyer", he is able to handle the most complex case and still present the facts and law in a way the judge and jury will understand.

Mr. Weiss concentrates his practice in complex civil litigation, including class actions and pharmaceutical cases, medical and other professional malpractice, securities litigation and products liability matters. He earned his Bachelor's Degree from the Pennsylvania State University in 1968 and his law degree from Villanova University School of Law in 1972. He is licensed to practice in Pennsylvania, as well as being specially admitted to practice in other states.

Mr. Weiss has served in various positions for the Pennsylvania Association for Justice and was a member of the Board of the Philadelphia Trial Lawyers Association. He is past President of the Eastern Pennsylvania Chapter of the American Board of Trial Advocates. He also served as Treasurer of the J. Willard O'Brien Inn of Court of Villanova University Law School. He is a frequent lecturer on class actions, pharmaceutical liability, civil litigation issues, trial skills and technology in the courtroom. He has lectured for many professional groups, including the Pennsylvania Bar Institute, Mealey's, Philadelphia Trial Lawyers Association, American Association for Justice and for private industry. He is a member of the American, Pennsylvania and Philadelphia Bar Associations, as well as the American Association for Justice, Pennsylvania Association for Justice and Philadelphia Trial Lawyers Association. Mr. Weiss is on the Board of Directors and is currently on the Executive Committee of the American Association for Justice. In 2009, he received the Harry M. Philo Award as the Association's outstanding trial lawyer for his work on limiting Federal Preemption.

Mr. Weiss is an active member of the Board of Consultors of the Villanova University School of Law. He also served as a Director of the Linda Creed Breast Cancer Foundation.

Mr. Weiss has been involved in many significant verdicts and settlements, including:

- **$3.75 Billion Dollar Settlement in National Diet Drug Settlement Case.** Mr. Weiss started a nine-week long trial in

Middlesex County, New Jersey seeking medical monitoring screening benefits for New Jersey residents. The case was eventually stayed when Sol and other attorneys negotiated a $3.75 billion dollar settlement in the United States District Court for the Eastern District of Pennsylvania. David Jacoby assisted in the New Jersey State Court Trial.

- **$68.5 Million Dollar Settlement for Baycol Pharmaceutical Case.** Mr. Weiss earned a $68.5 million dollar settlement for 168 people seriously injured by the statin drug, Baycol. Sol negotiated the settlement with Bayer, who withdrew the medication from the market in 2001.

- **$4.85 Billion Dollar Vioxx Settlement.** Mr. Weiss served as Co-Liaison Counsel for 16,000 cases in the New Jersey State Court coordinated litigation.

- **AM/PM Franchisee Association v. Atlantic Richfield Company.** Mr. Weiss earned a confidential multi-million dollar class action settlement for AM/PM Mini Market operators against Atlantic Richfield Company to recover lost profits when ARCO supplied defective gasoline to dealers in New York and Pennsylvania.

- **900 Individual Diet Drug Victims Settle Lawsuits.** Mr. Weiss, along with David Jacoby, negotiated a confidential settlement for 900 individual diet drug lawsuits on behalf of clients from seven law firms in Pennsylvania and New Jersey.

- **Duncan v. Lord, 409 F.Supp. 687 (E.D. Pa. 1976). Contingency Fee Agreement in Legal Malpractice.** Mr. Weiss successfully argued that a victim of legal malpractice should not be injured twice by having damages reduced by the percentage of the Contingency Fee Agreement a victim signed with a negligent attorney. This was an issue of first impression that had not been previously decided upon under Pennsylvania Law.

- **Alfiero v. Berks Mutual Leasing Co., 500 A.2d 169 (Pa. Super. 1985). Insurance Companies Forced to Pay Amount Insured Agreed to Pay to Protect Personal Assets.** Mr. Weiss and Paul Anapol achieved a landmark decision in which CNA Insurance Company was forced to pay an amount its insured agreed to pay to protect its personal assets. CNA argued unsuccessfully that it had no legal duty to indemnify the insured until it personally paid the judgment. This precedent has helped both victims and small corporations settle serious personal injury cases when the insurance company would rather delay or unjustly deny payment.

- **Surace v. Caterpillar, Inc., 111 F.2d 1039 (3d Cir. 1997). Court Must Focus on Manufacturer's Conduct Rather than Victim's Actions in Product Liability Cases.** Mr. Weiss successfully argued that the fact finder must focus on the manufacturer's conduct rather than the victim's actions in a products liability case. Rarely should a jury consider a victim's actions in such product liability cases.

Marsha Levick

Juvenile Law Center

Marsha Levick co-founded Juvenile Law Center in 1975. Juvenile Law center is the nation's oldest public interest law firm for children. She currently serves as Deputy Director and Chief Counsel. Throughout her legal career, Levick has been an advocate for children's and women's rights and is a nationally recognized expert in juvenile law. Levick oversees Juvenile Law Center's litigation and appellate docket. She has successfully litigated challenges to unlawful and harmful laws, policies and practices on behalf of children in both the juvenile justice and child welfare systems. Levick led the Juvenile Law Center team that first exposed systemic and pervasive violations of children's constitutional rights in Luzerne County – work which led to the exposure of the "kids for cash" scandal, the largest judicial corruption scandal in the history of the American legal system. Juvenile Law Center successfully sought the expungement and vacatur of thousands of juveniles' cases before the Pennsylvania Supreme Court, and is pursuing civil damages for the children and their families in a federal civil rights class action.

Recent civil rights cases Levick has co-counseled on behalf of children include:

A M. v Luzerne County, Case No. 03-3075 372 F.3d 572 (3d Cir. 2004) (a federal civil rights against the Luzerne County Juvenile Detention Center and several of its administrators and staff, alleging they violated the substantive due process rights of a 13-year-old boy with serious mental health problems by failing to protect him from harm while he was detained at the detention center. The suit alleged that the defendants failed to protect him from assaults by other residents in the facility and failed to provide him with proper medical and mental health care. The District Court in the Middle District of Pennsylvania ruled in favor of the defendants' motion for summary judgment and dismissed the suit. The Third Circuit reversed, finding that the plaintiff raised serious issues and that a county can be liable for deficient hiring and staffing policies and practices; lack of an adequate training program for the detention center's staff in critical areas such as de-escalating conflicts between youth and managing youth behavior generally; lack of established protocols to ensure youth safety; and lack of established policies to address the mental and physical health needs of its residents.

Brian B. v. Pennsylvania Department of Education, Case No. 99-1576, 230 F.3d 582 (3d Cir. 2000) (civil rights class action lawsuit on behalf of school-age pre-trial and convicted offenders detained or incarcerated in Pennsylvania's 73 adult county prisons and jails to enforce their rights to basic and special education under state and federal law. Juvenile Law Center and the Pennsylvania Department of Education entered into a separate settlement agreement to resolve the claims of the incarcerated students with special education needs. Pursuant to this agreement, the State issued a policy bulletin outlining the educational obligations of school districts to pre-trial youth and youth eligible for special education. With respect to the rights of convicted school-age offenders to basic education within the county jails, the District rejected plaintiffs' equal protection challenge. A divided panel of the Third Circuit affirmed.)

Anderson v. Houstoun, Case No. CV-04148-BWK (M.D. Pa. 2000) (class action lawsuit challenging state and county officials' failure to pay kinship caregivers for their care of

dependent children. The suit sought declaratory and injunctive relief to ensure that state practices were in line with legal requirements. A March 2005 settlement paved the way for relatives caring for their grandchildren, nieces, nephews or other related children to receive financial help from the state.

Troy D. v. Mickens et al., Case No. 1:10-cv-02902-JEI –AMD (D. N.J. 2010) (a federal civil rights lawsuit on behalf of two individual plaintiffs against New Jersey Juvenile Justice Commission officials as well as other state officials. Plaintiffs claim that their substantive and procedural due process rights under the United States and New Jersey Constitutions were violated, and also challenge certain New Jersey administrative regulations that allow indefinite isolation for youth with serious mental health needs as well as disciplinary isolation without appropriate due process protections.)

Levick has also authored or co-authored numerous appellate and amicus briefs in state and federal appeals courts throughout the country, including many before the US Supreme Court, and has argued before both state and federal appellate courts in Pennsylvania and numerous other jurisdictions. Levick co-authored the lead child advocates' amicus briefs in *Roper v. Simmons*, where the U. S. Supreme Court struck the juvenile death penalty under the Eighth Amendment; *Graham v. Florida*, where the U. S. Supreme Court struck life without parole sentences for juveniles convicted of non-homicide offenses under the Eighth Amendment; and *J.D.B. v North Carolina*, where the U.S. Supreme Court ruled for the first time that a juvenile's age is relevant to the Miranda custody analysis under the Fifth Amendment. Levick is a frequent speaker and lecturer on children's rights nationwide, and has also co-authored numerous scholarly articles on children's rights, including zero tolerance policies, girls in the juvenile justice system, juveniles' right to effective counsel; the emergence of a juvenile Eighth Amendment standard; and the emergence of a 'reasonable juvenile' standard in criminal law.

Recent publications include:

Marsha Levick, *J.D.B. v. North Carolina: The U.S. Supreme Court Heralds The Emergence of the 'Reasonable Juvenile' in American Criminal Law*, **The Criminal Law Reporter**, 89 CrL 753, 08/24/2011.

Marsha Levick, *Kids Really are Different: Looking Past Graham v. Florida*, **Criminal Law Reporter**, Vol. 87, No. 14, 2010.

Marsha Levick and Kristina Moon, *Prosecuting Sexting as Child Pornography: A Critique*, **Valparaiso University Law Review**, Volume 44, No. 4, Summer 2010.

Jessica Feierman, Marsha Levick, and Ami Mody, *The School to Prison Pipeline…and Back: Obstacles and Remedies for the Re-Enrollment of Adjudicated Youth*, **New York Law School Law Review**, Vol. 54, No. 4, 2009/10.

Marsha Levick and Robert G. Schwartz, *Changing The Narrative: Convincing Courts To Distinguish Between Misbehavior And Criminal Conduct In School Referral Cases*, **University of the District of Columbia Law Review**, Vol. 9, No. 1, Winter 2007.

Marsha Levick and Neha Desai, *Still Waiting: The Elusive Quest to Ensure Juveniles a Constitutional Right to Counsel at All Stages of the Juvenile Court Process*, **Rutgers Law Review**, Vol. 60, No. 1, Fall 2007.

Nina W. Chernoff and Marsha Levick, *Beyond the Death Penalty: Implications of Adolescent Development Research for the Prosecution, Defense, and Sanctioning of Youthful Offenders*, **Clearinghouse Review: Journal of Poverty Law and Policy**, July 2005

Marsha Levick and Francine T. Sherman, *When Individual Differences Demand Equal Treatment: An Equal Rights Approach TO the Special Needs of Girls in the Juvenile Justice System*, **Wisconsin Women's Law Journal**, Vol. 18, No. 1, Spring 2003.

Levick serves on the boards of the Juvenile Justice Project of Louisiana; Southern Poverty Law Center; the advisory board of Rutgers-Camden Law School's Juvenile Justice Clinic; and the advisory board of Bureau of National Affairs Criminal Law Reporter. Levick has received numerous awards for her work, including:

- Temple University's Women's Law Caucus Professional Achievement Award (2006)
- Pennsylvania Bar Association Child Advocate of the Year Award (2008)
- Foundation for the Improvement of Justice Award (2009)
- Philadelphia Bar Association's Andrew Hamilton Award (2009)
- Philadelphia Inquirer Citizen of the Year (2009) (co-recipient)
- American Association for Justice Leonard Weinglass Award (2010)
- American Bar Association Livingston Hall Award (2010)
- Rutgers-Camden Black Law Student Association Champion of Justice Award (2010)
- The Legal Intelligencer, Women of Distinction (2010)
- Clifford Scott Green Bill of Rights Award, Federal Bar Association, Philadelphia Criminal Justice Section (2010) (co-recipient)
- Good Shepherd Mediation Program Shepherd of Peace Award (2010)
- Philadelphia Bar Association, Criminal Justice Section Thurgood Marshall Award (2011) (Co-recipient)
- Friends Select School, Distinguished Alumnae Award (2011)

Levick is a graduate of the University of Pennsylvania and Temple University Law School. Levick is currently an adjunct faculty member at both the University of Pennsylvania Law School and Temple University Beasley School of law.