

**UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF ALABAMA  
NORTHERN DIVISION**

**In re COLONIAL BANCGROUP  
SECURITIES LITIGATION,**

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**Case No.: 2:09-cv-00104-RDP-WC**

**FINAL JUDGMENT**

This matter is before the court related to the parties' request for the court to give final approval to a settlement of the remaining class claims in this matter. A brief overview of the procedural history of this action is as follows.

1. As of February 3, 2015, Arkansas Teacher Retirement System, State-Boston Retirement System, Norfolk County Retirement System, and City of Brockton Retirement System (collectively, "Lead Plaintiffs"), on behalf of themselves, Plaintiff The Horace F. Moyer and Joan M. Moyer Living Trust, Plaintiff City of Worcester Retirement System, and the Settlement Class, and the Underwriter Defendants, PricewaterhouseCoopers LLP, and the Tolled Defendants entered into a Stipulation and Agreement of Settlement with Remaining Defendants (the "Stipulation") in the above-titled litigation (the "Action").

2. The court previously reviewed the Stipulation and preliminarily found the Settlement set forth therein to be fair, reasonable and adequate, subject to further consideration at the Settlement Hearing described below. (Doc. 552).

3. Pursuant to the Order Granting Preliminary Approval of Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement entered March 13, 2015 (the "Preliminary Approval Order") (Doc. 552), the court

scheduled a hearing for June 18, 2015, at 9:30 a.m. (the “Settlement Hearing”) to, among other things: (i) determine whether the proposed Settlement of the Action on the terms and conditions provided for in the Stipulation is fair, reasonable and adequate, and should be approved by the court; and (ii) determine whether a judgment as provided for in the Stipulation should be entered.

4. The court ordered that the Notice of Proposed Settlement with Remaining Defendants and Motion for Attorneys’ Fees and Expenses (the “Notice”) and a Proof of Claim and Release form (“Proof of Claim”), substantially in the forms attached to the Preliminary Approval Order as Exhibits 1 and 2, respectively, be mailed by first-class mail, postage prepaid, on or before ten (10) business days after the date of entry of the Preliminary Approval Order (“Notice Date”) to all potential Settlement Class Members who could be identified through reasonable effort, and that a Summary Notice of Proposed Settlement with Remaining Defendants and Motion for Attorneys’ Fees and Expenses (the “Summary Notice”), substantially in the form attached to the Preliminary Approval Order as Exhibit 3, be published in *Investor’s Business Daily* and transmitted over *PR Newswire* within fourteen (14) calendar days of the Notice Date.

5. The Notice and the Summary Notice advised Settlement Class Members of the date, time, place and purpose of the Settlement Hearing. The Notice further advised that any objections to the Settlement were required to be filed with the court and served on counsel for the Parties such that they would be received no later than May 28, 2015.

6. The provisions of the Preliminary Approval Order as to notice were complied with.

7. On May 14, 2015, Lead Plaintiffs moved for final approval of the Settlement, as set forth in the Preliminary Approval Order. The Settlement Hearing was duly held before this court on June 18, 2015, at which time all interested Persons were afforded the opportunity to be heard.

8. This court has considered Lead Plaintiffs' motion, the affidavits, declarations and memorandum of law submitted in support thereof, and all of the submissions and arguments presented with respect to the proposed Settlement.

After careful deliberation, this court **MAKES** the following findings and conclusions, and **ENTERS** this Final Judgment<sup>1</sup> in connection with the parties' proposed settlement.

1. This court has jurisdiction over the subject matter of the Action and over all Parties to the Action, including all members of the Settlement Class.

2. The court hereby affirms its determinations in the Preliminary Approval Order and finally certifies, for the purposes of the Settlement only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of all Persons who purchased or acquired during the period between April 18, 2007 and August 6, 2009, inclusive (the "Class Period"): (i) the common stock of the Colonial BancGroup, Inc. ("Colonial"); (ii) Colonial's common stock traceable to the Company's April 23, 2008 stock offering pursuant to the Registration Statement and Prospectus filed with the Securities and Exchange Commission; and (iii) the \$250 million worth of Subordinated Notes due in 2038, paying 8.875% interest on a quarterly basis, pursuant or traceable to Colonial's Form S-3/A Shelf Registration Statement and

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<sup>1</sup> This Judgment incorporates by reference the definitions in the Stipulation, and all capitalized terms used in this Judgment that are not otherwise defined herein shall have the same meanings as set forth in the Stipulation.

Prospectus dated November 12, 2004 and Form 424 (b)(2) Prospectus Supplement dated February 28, 2008, and were allegedly damaged thereby (the “Settlement Class”). Excluded from the Settlement Class are: the current and former defendants in the Action; the current and former officers and directors of the Company; members of the immediate families of the current and former defendants in the Action; the subsidiaries and affiliates of the Company; any entity in which the current and former defendants in the Action have or had a controlling interest; and the legal representatives, heirs, successors or assigns of any excluded person. Also excluded from the Settlement Class are those persons who timely and validly sought exclusion from the Settlement Class in accordance with the requirements set forth in the Notice. A list of those persons is contained in Exhibit A annexed hereto.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the court hereby affirms its determinations in the Preliminary Approval Order (*see* Doc. 552 at ¶ 3) and finally certifies Lead Plaintiffs Arkansas Teacher Retirement System, State-Boston Retirement System, Norfolk County Retirement System and City of Brockton Retirement System, and additional named plaintiffs The Horace F. Moyer and Joan M. Moyer Living Trust and City of Worcester Retirement System, as Class Representatives for the Settlement Class; and appoints Labaton Sucharow LLP as Class Counsel for the Settlement Class.

4. The notification provided for and given to the Settlement Class was in compliance with the Preliminary Approval Order, and said notification constituted the best notice practicable under the circumstances and is in full compliance with the notice requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 27 of the Securities Act of 1933, 15 U.S.C. §77z-

1(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the PSLRA, and due process.

5. The proposed Settlement of the Action on the terms and conditions set forth in the Stipulation is in all respects fair, reasonable and adequate, in light of the benefits to the Settlement Class, the complexity, expense and possible duration of further litigation against Defendants and the risks of establishing liability and damages and the costs of continued litigation. This court further finds the Settlement set forth in the Stipulation is the result of arm’s-length negotiations between experienced counsel representing the interests of Lead Plaintiffs, the Settlement Class, the Defendants, and the Tolled Defendants.

6. There are no objections to the Settlement.

7. The Stipulation and the proposed Settlement are hereby approved as fair, reasonable, adequate, and in the best interests of the Settlement Class Members, and shall be consummated in accordance with the terms and provisions of the Stipulation.

8. The First Amended Consolidated Class Action Complaint for Violations of the Federal Securities Laws (the “Amended Complaint”), filed April 29, 2011, is hereby dismissed in its entirety as to the Defendants and the Tolled Defendants, with prejudice, and without costs to any Party, except as otherwise provided in the Stipulation.

9. The court further finds that during the course of the Action, the Parties and their respective counsel at all times complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure.

10. Upon the Effective Date, Plaintiffs and each and every other Settlement Class Member, on behalf of themselves and each of their respective heirs, executors, trustees, administrators, predecessors, successors and assigns, shall be deemed to have fully, finally and forever waived, released, discharged and dismissed each and every one of the Released Claims against each and every one of the Released Defendant Parties and shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any and all of the Released Claims against any and all of the Released Defendant Parties.

11. Upon the Effective Date, the Defendants and the Tolerated Defendants, on behalf of themselves and each of their respective trustees, administrators, predecessors, successors and assigns, shall be deemed to have fully, finally and forever waived, released, discharged and dismissed each and every one of the Released Defendants' Claims, as against each and every one of the Released Plaintiff Parties and shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any and all of the Released Defendants' Claims against any and all of the Released Plaintiff Parties.

12. Each Settlement Class Member, whether or not such Settlement Class Member executes and delivers a Proof of Claim, is bound by this Judgment, including, without limitation, the release of claims as set forth in the Stipulation.

13. This Judgment and the Stipulation, whether or not consummated, and any negotiations, proceedings or agreements relating to the Stipulation, the Settlement, and any matters arising in connection with settlement negotiations, proceedings, or agreements, shall not be offered or received against or to the prejudice of the Parties or their respective counsel for any purpose other than in an action to enforce the terms of the Settlement, and in particular:

(a) do not constitute, and shall not be offered or received against or to the prejudice of Defendants or Tolerated Defendants as, evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by Defendants or Tolerated Defendants with respect to the truth of any allegation by Plaintiffs and the Settlement Class, or the validity of any claim that has been or could have been asserted in the Action or in any litigation, including but not limited to the Released Claims, or of any liability, damages, negligence, fault or wrongdoing of Defendants or Tolerated Defendants or any person or entity whatsoever;

(b) do not constitute, and shall not be offered or received against or to the prejudice of Defendants or Tolerated Defendants as, evidence of a presumption, concession, or admission of any fault, misrepresentation, or omission with respect to any statement or written document approved or made by the Defendants or the Tolerated Defendants, or against or to the prejudice of Plaintiffs or any other member of the Settlement Class as evidence of any infirmity in the claims of Plaintiffs or the other members of the Settlement Class;

(c) do not constitute, and shall not be offered or received against or to the prejudice of Defendants, Tolerated Defendants, Plaintiffs, any other member of the Settlement Class, or their respective counsel as, evidence of a presumption, concession, or admission with respect to any liability, damages, negligence, fault, infirmity, or wrongdoing, or in any way referred to for any other reason against or to the prejudice of any of the Defendants, Tolerated Defendants, Plaintiffs, other members of the Settlement Class, or their respective counsel, in any other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation;

(d) do not constitute, and shall not be construed against Defendants, Tolerated Defendants, Plaintiffs, or any other member of the Settlement Class as, an admission or concession that the consideration to be given hereunder represents the amount that could be or would have been recovered after trial; and

(e) do not constitute, and shall not be construed as or received in evidence as, an admission, concession, or presumption against Plaintiffs or any other member of the Settlement Class that any of their claims are without merit or infirm or that damages recoverable under the Consolidated Complaint or the Amended Complaint would not have exceeded the Settlement Amount.

14. The administration of the Settlement, and the decision of all disputed questions of law and fact with respect to the validity of any claim or right of any Person to participate in the distribution of the Net Settlement Fund, shall remain under the authority of this court.

15. The Parties are hereby directed to consummate the Stipulation and to perform its terms. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation, the court will hold a hearing as to why that failure has occurred. In such an event, the court reserves the right to find that this Judgment is rendered null and void to the extent provided by and in accordance with the Stipulation and is due to be vacated. And in such an event, the court reserves the right to find that all orders entered and releases delivered in connection herewith are null and void to the extent provided by and in accordance with the Stipulation.


16. Without further order of the court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.



17. A separate order shall be entered regarding Lead Counsel's application for attorneys' fees and payment of expenses as allowed by the court. A separate order shall be entered regarding the proposed Plan of Allocation for the Net Settlement Fund. Such orders shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment.

18. Without affecting the finality of this Judgment in any way, this court hereby retains continuing jurisdiction over: (i) implementation of the Settlement; (ii) the allowance, disallowance or adjustment of any Settlement Class Member's claim on equitable grounds and any award or distribution of the Settlement Fund; (iii) disposition of the Settlement Fund; (iv) hearing and determining applications for attorneys' fees, costs, interest and payment of expenses in the Action; (v) all Parties for the purpose of construing, enforcing and administering the Settlement and this Judgment; and (vi) other matters related or ancillary to the foregoing. The court expressly determines that there is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of the court is expressly directed.

**DONE and ORDERED** this June 19, 2015.

  
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**R. DAVID PROCTOR**  
UNITED STATES DISTRICT JUDGE