

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE THE BEAR STEARNS COMPANIES,
INC. SECURITIES, DERIVATIVE, AND
ERISA LITIGATION

This Document Relates To:

Securities Action, 08 Civ. 2793 (RWS)

Master File No.:
08 MDL No. 1963 (RWS)

**STIPULATION AND AGREEMENT OF SETTLEMENT
WITH DELOITTE & TOUCHE LLP**

This stipulation and agreement of settlement (the “Stipulation”) is made and entered into by and between Lead Plaintiff, The State of Michigan Retirement Systems (“Lead Plaintiff”), on behalf of itself and the proposed Settlement Class (as defined below) and Deloitte & Touche LLP (“Deloitte” or the “Settling Defendant”).

WHEREAS:

- A. All words or terms used herein that are capitalized shall have the meaning ascribed to those words or terms as set forth herein and in ¶ 1 hereof entitled “Definitions.”
- B. Beginning in March of 2008, several securities class action complaints were filed in the U.S. District Court for the Southern District of New York (the “S.D.N.Y.”) on behalf of investors in The Bear Stearns Companies Inc. (“Bear Stearns” or the “Company”):
- *Eastside Holdings, Inc. v. The Bear Stearns Cos., Inc., et al.*, No. 08 Civ. 2793;
 - *Becher v. The Bear Stearns Cos., Inc., et al.*, No. 08 Civ. 2866;

- *Greek Orthodox Archdiocese Found. v. The Bear Stearns Cos., et al.*, No. 08 Civ. 3013;

- *Schwartz v. The Bear Stearns Cos., Inc., et al.*, No. 08 Civ. 4972; and
- *Bransbourg v. The Bear Stearns Cos., Inc., et al.*, No. 08 Civ. 5054.

C. On August 18, 2008, the Judicial Panel on Multidistrict Litigation issued a transfer order, pursuant to 28 U.S.C. §1407, transferring a number of Bear Stearns-related actions to the S.D.N.Y. for coordinated or consolidated pretrial proceedings with the other related actions pending there before the Honorable Robert W. Sweet (the “Court”).

D. On January 6, 2009, the Court issued an Order (i) consolidating the Bear Stearns related securities actions under the caption *In re The Bear Stearns Companies, Inc. Securities, Derivative and ERISA Litigation*, Securities Action, 08 Civ. 2793 (RWS) Master File No. 08 MDL No. 1963 (RWS) (S.D.N.Y.) (the “Action”), (ii) appointing Lead Plaintiff, and (iii) appointing Berman DeValerio and Labaton Sucharow LLP (“Co-Lead Counsel”) to represent the putative class.

E. The operative complaint in the Action is the Consolidated Class Action Complaint for Violations of the Federal Securities Laws filed on February 27, 2009 (the “Complaint”). The Complaint alleges violations of § 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 promulgated thereunder by the U.S. Securities and Exchange Commission (“SEC”) on behalf of a class of all persons or entities who, between December 14, 2006 and March 14, 2008, inclusive, purchased or otherwise acquired the publicly traded common stock, other equity securities, or call options of or guaranteed by Bear Stearns, or sold Bear Stearns put options.

F. On April 24, 2009, Bear Stearns; James E. Cayne, Alan D. Schwartz, Warren J. Spector, Alan C. Greenberg, Samuel L. Molinaro Jr., Michael Alix, and Jeffrey M. Farber (collectively the “Individual Defendants” and with Bear Stearns, the “Bear Stearns Defendants”); and Deloitte (together with the Bear Stearns Defendants, the “Defendants”) filed motions to dismiss the Complaint, which Lead Plaintiff opposed on May 29, 2009. On June 30, 2009, Defendants filed reply briefs in further support of their respective motions. On January 19, 2011, the Court denied Defendants’ motions to dismiss.

G. Discovery commenced, including the production of documents by Defendants and third-parties, which resulted in the production of over nine million pages of documents.

H. On October 6, 2011, Lead Plaintiff moved to certify the Action as a class action.

I. Lead Plaintiff, through Co-Lead Counsel, conducted a thorough investigation relating to the claims, defenses, and underlying events and transactions that are the subject of the Action. This process included reviewing and analyzing: (i) documents filed publicly by the Company with the SEC; (ii) publicly available information, including press releases, news articles, and other public statements issued by or concerning the Company and the Defendants; (iii) research reports issued by financial analysts concerning the Company; (iv) other publicly available information and data concerning the Company, including information concerning investigations conducted by the Financial Crisis Inquiry Commission and the SEC’s Office of Inspector General; (v) approximately 6 million pages of documents, including emails of the Individual Defendants, produced by Bear Stearns; (vi) approximately 2.5 million pages of documents, including workpapers and emails, produced by Deloitte; (vii) pleadings filed in other pending litigation naming certain Defendants herein as defendants or nominal defendants; and (viii) the applicable law governing the claims and potential defenses. Co-Lead Counsel also

interviewed former Bear Stearns employees and other persons with relevant knowledge (some of whom have provided information as confidential witnesses), and consulted with experts on accounting, valuation, damages, and causation issues.

J. In May 2012, Deloitte and Lead Plaintiff engaged the Honorable Layn R. Phillips (Ret.) ("Judge Phillips"), a well-respected and highly experienced mediator, to assist them in exploring a potential negotiated resolution of the claims against Deloitte. After numerous discussions, and with the assistance of Judge Phillips, Lead Plaintiff and Deloitte reached an agreement in principle to settle the claims against Deloitte.

K. The Settling Defendant has denied and continues to deny any wrongdoing or that it has committed any act or omission giving rise to any liability or violation of law, including the U.S. securities laws. The Settling Defendant has denied and continues to deny each and every one of the claims alleged by Lead Plaintiff on behalf of the Settlement Class, including all claims in the Complaint.

M. This Stipulation, whether or not consummated, any proceedings relating to any settlement, or any of the terms of any settlement, whether or not consummated, shall in no event be construed as, or deemed to be evidence of, an admission or concession on the part of the Settling Defendant with respect to any fact or matter alleged in the Action, or any claim of fault or liability or wrongdoing or damage whatsoever, or any infirmity in any claim or defense that have been or could have been asserted. The Settling Defendant is entering into this Settlement solely to eliminate the burden, expense, uncertainty, and distraction of further litigation.

N. Lead Plaintiff believes that the claims asserted in the Action have merit and that the evidence developed to date supports the claims asserted. However, Lead Plaintiff and Co-Lead Counsel recognize and acknowledge the expense and length of continued proceedings

necessary to prosecute the Action against the Settling Defendant through trial and appeals. Lead Plaintiff and Co-Lead Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Action, as well as the difficulties and delays inherent in such litigation. Co-Lead Counsel also are mindful of the inherent problems of proof and the possible defenses to the claims alleged in the Action. Based on their evaluation, Lead Plaintiff and Co-Lead Counsel believe that the Settlement set forth in this Stipulation confers substantial monetary benefits upon the Settlement Class and is in the best interests of Lead Plaintiff and the Settlement Class.

NOW THEREFORE, without any concession by Lead Plaintiff that the Action lacks merit, and without any concession by the Settling Defendant of any liability or wrongdoing or lack of merit in its defenses, it is hereby **STIPULATED AND AGREED**, by and among the parties to this Stipulation ("Settling Parties"), through their respective attorneys, subject to approval by the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the benefits flowing to the Settling Parties hereto, all Released Deloitte Claims and all Released Deloitte Defendant's Claims as against all Released Parties shall be fully, finally, and forever compromised, settled, released, discharged, and dismissed with prejudice, and without costs, as set forth below:

DEFINITIONS

1. As used in this Stipulation, the following terms shall have the meanings set forth below. In the event of any inconsistency between any definition set forth below and any definition in any other document related to the Settlement, the definition set forth below shall control.

(a) "Action" means the civil action captioned *In re The Bear Stearns Companies, Inc. Sec., Deriv., and ERISA Litig.*, Securities Action, 08 Civ. 2793 (RWS), Master

File No. 08 MDL No. 1963 (RWS), pending in the United States District Court for the Southern District of New York before the Honorable Robert W. Sweet (“Judge Sweet”).

(b) “Alternative Judgment” means a form of final judgment that may be entered by the Court herein but in a form other than the form of Judgment provided for in this Stipulation and where none of the Settling Parties hereto elects to terminate this Settlement by reason of such variance.

(c) “Authorized Claimant” means a Settlement Class Member who timely submits a valid Proof of Claim and Release form to the Claims Administrator that is accepted for payment by the Court.

(d) “CAP Units” means Capital Accumulation Plan units issued pursuant to Bear Stearns’s Capital Accumulation Plan (“CAP”), which correspond to a single share of Bear Stearns common stock.

(e) “Claims Administrator” means the firm to be retained by Co-Lead Counsel, subject to Court approval, to provide all notices approved by the Court to Settlement Class Members, to process proofs of claim and to administer the Settlement.

(f) “Class Period” means the period from December 14, 2006 to and through March 14, 2008, inclusive.

(g) “Co-Lead Counsel” means the law firms of Berman DeValerio and Labaton Sucharow LLP.

(h) “Court” means the United States District Court for the Southern District of New York.

(i) “Defendants” means the Settling Defendant together with the Bear Stearns Defendants.

(j) “Derivative Action” means *In re The Bear Stearns Companies, Inc. Sec., Deriv., and ERISA Litig.*, Derivative Action, 07 Civ. 10453 (RWS) (S.D.N.Y.).

(k) “Distribution Order” means an order of the Court approving the Claims Administrator’s determinations concerning the acceptance and rejection of the claims submitted and approving any fees and expenses not previously paid, including the fees and expenses of the Claims Administrator and, if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants.

(l) “Effective Date” means the date upon which the Settlement shall become effective, as set forth in ¶ 40 below.

(m) “ERISA Action” means *In re The Bear Stearns Companies, Inc. Sec., Deriv., and ERISA Litig.*, ERISA Action, 08 Civ. 2804 (RWS) (S.D.N.Y.).

(n) “Escrow Account” means the separate escrow account designated by Co-Lead Counsel at one or more national banking institutions into which the Deloitte Settlement Amount will be deposited for the benefit of the Settlement Class.

(o) “Escrow Agent” means Co-Lead Counsel.

(p) “Final,” with respect to a court order, means the later of: (i) if there is an appeal from a court order, the date of final affirmance on appeal and the expiration of the time for any further judicial review whether by appeal, reconsideration or a petition for a *writ of certiorari* and, if *certiorari* is granted, the date of final affirmance of the order following review pursuant to the grant; or (ii) the date of final dismissal of any appeal from the order or the final dismissal of any proceeding on *certiorari* to review the order; or (iii) the expiration of the time for the filing or noticing of any appeal or petition for *certiorari* from the order (or, if the date for taking an appeal or seeking review of the order shall be extended beyond this time by order of

the issuing court, by operation of law or otherwise, or if such extension is requested, the date of expiration of any extension if any appeal or review is not sought). However, any appeal or proceeding seeking subsequent judicial review pertaining solely to the Plan of Allocation of the Net Settlement Fund, or to the Court's award of attorneys' fees or expenses, shall not in any way delay or affect the time set forth above for the Judgment or Alternative Judgment to become Final, or otherwise preclude the Judgment or Alternative Judgment from becoming Final.

(q) "Individual Defendants" means James E. Cayne, Alan D. Schwartz, Warren J. Spector, Alan C. Greenberg, Samuel L. Molinaro Jr., Michael Alix, and Jeffrey M. Farber.

(r) "Judgment" means the proposed judgment to be entered approving the Settlement substantially in the form attached hereto as Exhibit B.

(s) "Lead Plaintiff" means The State of Michigan Retirement Systems.

(t) "Net Settlement Fund" means the Settlement Fund less: (i) Court-awarded attorneys' fees and expenses; (ii) Notice and Administration Expenses; (iii) Taxes; and (iv) any other fees or expenses approved by the Court, including any award to Lead Plaintiff for reasonable costs and expenses (including lost wages) pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA").

(u) "Notice and Administration Expenses" means all costs, fees, and expenses incurred in connection with providing notice to the Settlement Class and the administration of the Settlement, including but not limited to: (i) providing notice of the proposed Settlement by mail, publication, and other means to Settlement Class Members; (ii) receiving and reviewing claims; (iii) applying the Plan of Allocation; (iv) communicating with Persons regarding the

proposed Settlement and claims administration process; (v) distributing the proceeds of the Settlement; and (vi) fees related to the Escrow Account and investment of the Settlement Fund.

(v) "Notice" means the Notice of Pendency of Class Action and Proposed Settlements with the Bear Stearns Defendants and Deloitte and Motion for Attorneys' Fees and Expenses, which is to be sent to Settlement Class Members, which, subject to approval of the Court, shall be substantially in the form attached hereto as Exhibit A-1 to Exhibit A hereto.

(w) "Person" or "Persons" means any individual, corporation (including all divisions and subsidiaries), general or limited partnership, association, joint stock company, joint venture, limited liability company, professional corporation, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity.

(x) "Preliminary Approval Order Concerning Deloitte" means the proposed Order Granting Preliminary Approval of Partial Class Action Settlement with Deloitte, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement, which, subject to the approval of the Court, shall be substantially in the form attached hereto as Exhibit A.

(y) "Proof of Claim" means the Proof of Claim and Release form for submitting a claim, which, subject to approval of the Court, shall be substantially in the form attached as Exhibit A-2 to Exhibit A hereto.

(z) "Released Deloitte Claims" means any and all claims, rights, causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every nature and description, including both known claims and Unknown Claims (defined below), whether arising under federal, state, foreign or statutory

law, common law or administrative law, or any other law, rule or regulation, whether fixed or contingent, accrued or not accrued, matured or unmatured, liquidated or un-liquidated, at law or in equity, whether class or individual in nature, that Lead Plaintiff or any other Settlement Class Member: (i) asserted in the Action; or (ii) could have asserted in the Action or any other action or in any forum, that arise out of, relate to, or are in connection with the claims, allegations, transactions, facts, events, acts, disclosures, statements, representations or omissions or failures to act involved, set forth, or referred to in the complaints filed in the Action and that relate to the purchase of the publicly traded common stock or other equity securities, or call options or sale of put options either in the open market or pursuant or traceable to a registration statement, or the receipt of fully vested CAP Units and Restricted Stock Units, of Bear Stearns during the Class Period. Released Deloitte Claims do not include: (i) claims to enforce the Settlement; and (ii) claims against the Bear Stearns Defendants.

(aa) “Released Deloitte Defendant Parties” means Deloitte & Touche LLP, Deloitte LLP (formerly known as Deloitte & Touche USA LLP), Deloitte Tax LLP, Deloitte Financial Advisory Services LLP, Deloitte Consulting LLP, Deloitte Services LP and Deloitte Touche Tohmatsu Limited (“DTTL”, formerly known as Deloitte Touche Tohmatsu) and any and all DTTL associate and member firms, all their respective, past, present and future parent companies, subsidiaries, affiliates, divisions, related entities, joint ventures, subcontractors, agents, attorneys, insurers, subrogees, co-insurers, reinsurers and servants, all their respective past, present and future officers, directors, employees, members, partners, principals, shareholders and owners and all their respective heirs, executors, administrators, personal representatives, predecessors, successors, transferees and assigns. For the avoidance of doubt, Released Deloitte Defendant Parties does not include the Bear Stearns Defendants.

(bb) “Released Deloitte Defendant’s Claims” means all claims, including both known claims and Unknown Claims (as defined below), whether arising under federal, state, common or administrative law, or any other law, that the Settling Defendant could have asserted against any of the Released Plaintiff Parties that arise out of or relate to the commencement, prosecution, or settlement of the Action (other than claims to enforce the Settlement).

(cc) “Released Parties” means the Released Deloitte Defendant Parties and the Released Plaintiff Parties.

(dd) “Released Plaintiff Parties” means each and every Settlement Class Member, Lead Plaintiff, Co-Lead Counsel, and their respective past, current, or future trustees, officers, directors, partners, employees, contractors, auditors, principals, agents, attorneys, predecessors, successors, assigns, parents, subsidiaries, divisions, joint ventures, general or limited partners or partnerships, and limited liability companies; and the spouses, members of the immediate families, representatives, and heirs of any Released Plaintiff Party who is an individual, as well as any trust of which any Released Plaintiff Party is the settlor or which is for the benefit of any of their immediate family members. Released Plaintiff Parties does not include any Person who timely and validly seeks exclusion from the Settlement Class.

(ee) “Restricted Stock Units” means Restricted Stock units issued pursuant to Bear Stearns’s Restricted Stock Unit Plan (“RSU Plan”), which represent a right for one share of Bear Stearns common stock.

(ff) “Settlement” means the resolution of the Action as against the Settling Defendant in accordance with the terms and provisions of this Stipulation.

(gg) “Deloitte Settlement Amount” means the total principal amount of nineteen million nine hundred thousand dollars (\$19,900,000) in cash. For the avoidance of

doubt, under no circumstances shall the total to be paid by the Settling Defendant pursuant to this Stipulation exceed the Deloitte Settlement Amount.

(hh) "Settlement Class" or "Settlement Class Member" means all Persons who, during the period from December 14, 2006 to and through March 14, 2008, inclusive, purchased or otherwise acquired the publicly traded common stock or other equity securities, or call options of or guaranteed by Bear Stearns, or sold Bear Stearns put options, either in the open market or pursuant or traceable to a registration statement, and were damaged thereby. The Settlement Class also includes all persons who received Bear Stearns CAP Units or Restricted Stock Units that had fully vested, entitling them to an equivalent number of shares of Bear Stearns common stock upon settlement at the end of a deferral period during the Class Period, as part of their compensation as an employee with Bear Stearns and participation in its CAP or RSU Plan. Excluded from the Settlement Class are: the Defendants; the officers and directors of Bear Stearns; the members of the immediate families of the Individual Defendants; any firm, trust, partnership, corporation, or entity in which any Defendant has a controlling interest; the legal representatives, heirs, successors-in-interest or assigns of any such excluded Person; and any Person who would otherwise be a Settlement Class Member but properly excludes himself, herself or itself by filing a valid and timely request for exclusion in accordance with the requirements set forth in the Notice.

(ii) "Settlement Fund" means the Deloitte Settlement Amount and any interest earned thereon.

(jj) "Settlement Hearing" means the hearing to be held by the Court to determine whether the proposed Settlement is fair, reasonable, and adequate and should be approved.

(kk) "Settling Defendant's Counsel" means the law firm of Cravath, Swaine & Moore LLP.

(ll) "Settling Party" or "Settling Parties" means the Settling Defendant and Lead Plaintiff on behalf of itself and the other Settlement Class Members.

(mm) "Stipulation" means this Stipulation and Agreement of Settlement with Deloitte & Touche LLP.

(nn) "Summary Notice" means the Summary Notice of Pendency of Class Action and Proposed Settlements with the Bear Stearns Defendants and Deloitte and Motion for Attorneys' Fees and Expenses for publication, which, subject to approval of the Court, shall be substantially in the form attached as Exhibit A-3 to Exhibit A hereto.

(oo) "Taxes" means all federal, state, or local taxes of any kind on any income earned by the Settlement Fund and reasonable expenses and costs incurred in connection with the taxation of the Settlement Fund (including, without limitation, interest, penalties and the reasonable expenses of tax attorneys and accountants).

(pp) "Unknown Claims" means any and all Released Deloitte Claims that Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Deloitte Defendant Parties, and any Released Deloitte Defendant's Claims that the Settling Defendant does not know or suspect to exist in its favor at the time of the release of the Released Plaintiff Parties, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to exclude himself, herself, or itself from the Settlement Class. With respect to any and all Released Deloitte Claims and Released Deloitte Defendant's Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff and the Settling Defendant shall

expressly, and each other Settlement Class Member shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiff, the other Settlement Class Members, or the Settling Defendant may hereafter discover facts, legal theories, or authorities in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Deloitte Claims and the Released Deloitte Defendant's Claims, but Lead Plaintiff and the Settling Defendant shall expressly, fully, finally, and forever settle and release, and each Settlement Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Deloitte Claims and Released Deloitte Defendant's Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Lead Plaintiff and the Settling Defendant acknowledge, and other Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Deloitte Claims and Released Deloitte Defendant's Claims was separately bargained for and was a material element of the Settlement.

SCOPE AND EFFECT OF SETTLEMENT

2. The obligations incurred pursuant to this Stipulation are subject to approval by the Court, such approval becoming Final, and are in full and final disposition of the claims in the Action with respect to the Released Parties and any and all Released Deloitte Claims and Released Deloitte Defendant's Claims.

3. For purposes of this Settlement only, the Settling Parties agree to: (i) certification of the Action as a class action, pursuant to Fed. R. Civ. P. 23(a) and 23(b)(3), on behalf of the Settlement Class as defined in ¶ 1(hh); (ii) the appointment of Lead Plaintiff as Class Representative for the Settlement Class; and (iii) the appointment of Co-Lead Counsel as Class Counsel for the Settlement Class pursuant to Federal Rule of Civil Procedure 23(g).

4. By operation of the Judgment or Alternative Judgment, as of the Effective Date, Lead Plaintiff 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 Deloitte Claims against each and every one of the Released Deloitte Defendant Parties and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Released Deloitte Claims against any and all of the Released Deloitte Defendant Parties.

5. By operation of the Judgment or Alternative Judgment, as of the Effective Date, the Settling Defendant, on behalf of itself and each of its 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 Deloitte Defendant's Claims against each and every one of the Released Plaintiff Parties and shall forever be barred and enjoined from commencing,

instituting, prosecuting, or maintaining any of the Released Deloitte Defendant's Claims against any of the Released Plaintiff Parties.

THE SETTLEMENT CONSIDERATION

6. In full settlement of the claims asserted in the Action against the Settling Defendant and in consideration of the releases specified in ¶¶ 4-5, above, Deloitte shall pay, or cause to be paid the Deloitte Settlement Amount in cash into the Escrow Account on or before ten (10) business days after both (i) the Court has entered the Preliminary Approval Order Concerning Deloitte, and (ii) Co-Lead Counsel has provided to Thomas G. Rafferty and Antony L. Ryan of Cravath, Swaine & Moore LLP all information necessary to effectuate a transfer of funds, including but not limited to, wiring instructions, payment address, and a complete, accurate, and signed W-9 form for the Settlement Fund that reflects a valid taxpayer identification number.

7. With the sole exception of Deloitte's obligation to pay, or cause payment of, the Deloitte Settlement Amount into the Escrow Account as provided for in ¶ 6, the Settling Defendant and Settling Defendant's Counsel shall have no responsibility for, interest in, or liability whatsoever with respect to: (i) any act, omission, or determination by Co-Lead Counsel, the Escrow Agent, or the Claims Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment, or distribution of the Settlement Fund; (iii) the Plan of Allocation; (iv) the determination, administration, calculation, or payment of any claims asserted against the Settlement Fund; (v) any losses suffered by, or fluctuations in value of, the Settlement Fund; or (vi) the payment or withholding of any Taxes, expenses, and/or costs incurred in connection with the taxation of the Settlement Fund or the filing of any federal, state, or local returns.

8. The Deloitte Settlement Amount is an all-in settlement number, meaning that it includes all attorneys' fees and expenses, Notice and Administration Expenses, Taxes, and costs of any kind whatsoever associated with the resolution of this matter. Other than the obligation of Deloitte to pay or cause to be paid the Deloitte Settlement Amount pursuant to ¶ 6 or the obligations in ¶ 37, the Settling Defendant shall have no obligation to make any payment into the Escrow Account or to any Settlement Class Member or any other person or entity pursuant to this Stipulation. For the avoidance of doubt, under no circumstances shall the total to be paid by the Settling Defendant pursuant to this Stipulation exceed the Deloitte Settlement Amount.

USE AND TAX TREATMENT OF SETTLEMENT FUND

9. The Settlement Fund shall be used: (i) to pay any Taxes; (ii) to pay Notice and Administration Expenses; (iii) to pay any attorneys' fees and expenses awarded by the Court; (iv) to pay any costs and expenses allowed by the PSLRA and awarded to Lead Plaintiff by the Court; (v) to pay any other fees and expenses awarded by the Court; and (vi) to pay the claims of Authorized Claimants.

10. The Net Settlement Fund shall be distributed to Authorized Claimants as provided in ¶¶ 22-35 hereof. The Net Settlement Fund shall remain in the Escrow Account prior to the Effective Date. All funds held in the Escrow Account shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be disbursed or returned, pursuant to the terms of this Stipulation, and/or further order of the Court. The Escrow Agent shall invest funds in the Escrow Account in instruments backed by the full faith and credit of the United States Government (or a mutual fund invested solely in such instruments), or deposit some or all of the funds in non-interest-bearing transaction account(s) that are fully insured by the Federal Deposit Insurance Corporation ("FDIC") in amounts that are up to the limit of FDIC insurance. Settling Defendant and Settling Defendant's Counsel shall

have no responsibility for, interest in, or liability whatsoever with respect to investment decisions executed by the Escrow Agent. All risks related to the investment of the Settlement Fund shall be borne solely by the Settlement Fund.

11. The Settling Parties agree to treat the Settlement Fund, as a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1. In addition, Co-Lead Counsel shall timely make, or cause to be made, such elections as necessary or advisable to carry out the provisions of this ¶ 11, including the “relation-back election” (as defined in Treas. Reg. § 1.468B-1) back to the earliest permitted date. Such election shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the sole responsibility of Co-Lead Counsel to timely and properly prepare and deliver, or cause to be prepared and delivered, the necessary documentation for signature by all necessary parties, and thereafter take all such actions as may be necessary or appropriate to cause the appropriate filing(s) to occur.

(a) For the purposes of Section 468B of the Internal Revenue Code of 1986, as amended, and Treas. Reg. § 1.468B promulgated thereunder, the “administrator” shall be Co-Lead Counsel or its successors, who shall timely and properly file, or cause to be filed, all informational and other federal, state, or local tax returns necessary or advisable with respect to the earnings on the funds deposited in the Escrow Account (including without limitation the returns described in Treas. Reg. § 1.468B-2(k)). Such tax returns (as well as the election described above) shall be consistent with this subparagraph and in all events shall reflect that all Taxes (including any estimated taxes, earnings, or penalties) on the income earned on the funds deposited in the Escrow Account shall be paid out of such funds as provided in subparagraph (c) of this ¶ 11.

(b) All Taxes shall be paid by the Escrow Agent solely out of the Settlement Fund. In all events, Settling Defendant and Settling Defendant's Counsel shall have no liability or responsibility whatsoever for the Taxes or the filing of any tax returns or other documents with the Internal Revenue Service or any other state or local taxing authority. In the event any Taxes of any kind whatsoever, including but not limited to any Taxes payable by reason of indemnification, are owed by any of the Settling Defendant on any earnings on the funds on deposit in the Escrow Account, such amounts shall also be paid out of the Settlement Fund. Any taxes or tax expenses owed on any earnings on the Deloitte Settlement Amount prior to its transfer to the Escrow Account shall be the sole responsibility of the Settling Defendant.

(c) Taxes shall be treated as, and considered to be, a cost of administration of the Settlement and shall be timely paid, or caused to be paid, by the Escrow Agent out of the Settlement Fund without prior order from the Court or approval by the Settling Defendant, and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts (as well as any amounts that may be required to be withheld under Treas. Reg. § 1.468B-2(1)(2)). The Settling Parties agree to cooperate with Co-Lead Counsel, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this ¶ 11.

12. This is not a claims-made settlement. As of the Effective Date, the Settling Defendant and/or such other persons or entities funding the Settlement on the Settling Defendant's behalf, shall not have any right to the return of the Settlement Fund or any portion thereof for any reason.

ATTORNEYS' FEES AND EXPENSES

13. Co-Lead Counsel will apply to the Court for an award from the Settlement Fund of attorneys' fees and reimbursement of litigation expenses incurred in prosecuting the Action,

plus any earnings on such amounts at the same rate and for the same periods as earned by the Settlement Fund ("Fee and Expense Application"). The Settling Defendant shall take no position with respect to the Fee and Expense Application.

14. The amount of attorneys' fees and expenses awarded by the Court is within the sole discretion of the Court. Any attorneys' fees and expenses awarded by the Court shall be paid from the Settlement Fund to Co-Lead Counsel no later than ten (10) calendar days after entry of the Order awarding such attorneys' fees and expenses, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof.

15. Any payment of attorneys' fees and litigation expenses pursuant to ¶¶ 13-14 above shall be subject to Co-Lead Counsel's joint and several obligation to make refunds or repayments to the Settlement Fund of any paid amounts, plus accrued earnings at the same net rate as is earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of this Stipulation or fails to become effective for any reason or if, as a result of any appeal or further proceedings on remand, or successful collateral attack, the award of attorneys' fees and/or litigation expenses is reduced or reversed by Final non-appealable court order. Co-Lead Counsel shall make the appropriate refund or repayment in full no later than thirty (30) calendar days after receiving notice from a court of appropriate jurisdiction of the termination of the Settlement or notice of any reduction or reversal of the award of attorneys' fees and/or litigation expenses by Final non-appealable court order.

16. With the sole exception of Deloitte causing the payment of the Deloitte Settlement Amount into the Escrow Account as provided for in ¶ 6, the Settling Defendant shall

have no responsibility for, and no liability whatsoever with respect to, any payment whatsoever to Co-Lead Counsel in the Action that may occur at any time.

17. Settling Defendant shall have no responsibility for, and no liability whatsoever with respect to, any allocation of any attorneys' fees or expenses among Co-Lead Counsel in the Action, or any other Person who may assert some claim thereto, or any fee or expense awards the Court may make in the Action.

18. Settling Defendant shall have no responsibility for, and no liability whatsoever with respect to, any attorneys' fees, costs, or expenses incurred by or on behalf of the Settlement Class Members, whether or not paid from the Escrow Account.

19. The procedure for and the allowance or disallowance by the Court of any Fee and Expense Application are not part of the Settlement set forth in this Stipulation, and are separate from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in the Stipulation, and any order or proceeding relating to any Fee and Expense Application, including an award of attorneys' fees or expenses in an amount less than the amount requested by Co-Lead Counsel, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment or Alternative Judgment approving the Stipulation and the Settlement set forth herein, including, but not limited to, the release, discharge, and relinquishment of the Released Deloitte Claims against the Released Deloitte Defendant Parties, or any other orders entered pursuant to the Stipulation. Lead Plaintiff and Co-Lead Counsel may not cancel or terminate the Stipulation or the Settlement in accordance with ¶ 41 or otherwise based on the Court's or any appellate court's ruling with respect to fees and expenses in the Action.

ADMINISTRATION EXPENSES

20. Except as otherwise provided herein, the Settlement Fund shall be held in the Escrow Account until the Effective Date.

21. Prior to the Effective Date, without further approval from the Settling Defendant or further order of the Court, Co-Lead Counsel may expend up to \$2 million from the Settlement Fund to pay Notice and Administration Expenses actually incurred. If the Court grants preliminary approval to the settlement with the Bear Stearns Defendants, Notice and Administration Expenses actually incurred shall be allocated to the Settlement Fund and to the settlement fund provided by the Bear Stearns Defendants in the proportion of the Deloitte Settlement Amount to the settlement amount paid by the Bear Stearns Defendants. Taxes and fees related to the Escrow Account and investment of the Settlement Fund may be paid as incurred, without further approval of the Settling Defendant or further order of the Court. After the Effective Date, without further approval of the Settling Defendant or further order of the Court, Notice and Administration Expenses may be paid as incurred.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

22. Co-Lead Counsel will apply to the Court for a Distribution Order, on notice to Settling Defendant's Counsel, approving the Claims Administrator's determinations concerning the acceptance and rejection of the claims submitted herein, and, if the Effective Date has occurred, directing the payment of the Net Settlement Fund to Authorized Claimants.

23. The Claims Administrator shall administer the Settlement under Co-Lead Counsel's supervision in accordance with the terms of this Stipulation and subject to the jurisdiction of the Court. Except as stated in ¶¶ 6 and 37, hereof, the Settling Defendant and Settling Defendant's Counsel shall have no responsibility for, interest in, or liability whatsoever with respect to the administration of the Settlement or the actions or decisions of the Claims

Administrator, and shall have no liability to the Settlement Class in connection with such administration.

24. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Loss, as defined in the Plan of Allocation of Net Settlement Fund (the "Plan of Allocation") included in the Notice, or in such other plan of allocation as the Court may approve.

25. Settling Defendant will take no position with respect to the Plan of Allocation. The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Plan of Allocation is not a necessary term of this Stipulation and it is not a condition of this Stipulation that any particular plan of allocation be approved by the Court. Lead Plaintiff and Co-Lead Counsel may not cancel or terminate the Stipulation or the Settlement in accordance with ¶ 41 or otherwise based on the Court's or any appellate court's ruling with respect to the Plan of Allocation or any plan of allocation in the Action. Settling Defendant and Settling Defendant's Counsel shall have no responsibility or liability for reviewing or challenging claims, the allocation of the Net Settlement Fund, or the distribution of the Net Settlement Fund.

ADMINISTRATION OF THE SETTLEMENT

26. Any Settlement Class Member who fails timely to submit a valid Proof of Claim (substantially in the form of Exhibit A-2 to Exhibit A hereto) will not be entitled to receive any of the proceeds from the Net Settlement Fund, except as otherwise ordered by the Court, but will otherwise be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternative Judgment to be entered in the Action and all releases provided for

herein, and will be barred from bringing any action against the Released Deloitte Defendant Parties concerning the Released Deloitte Claims.

27. Upon receiving any request(s) for exclusion pursuant to the Notice, Co-Lead Counsel shall promptly notify counsel for the Settling Defendant of such request(s) for exclusion upon receiving each request for exclusion, and certainly no later than five (5) calendar days after receiving a request for exclusion or fifteen (15) calendar days prior to the Settlement Hearing, whichever is earlier, and provide copies of such request(s) for exclusion and any documentation accompanying them by email.

28. Co-Lead Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund by the Claims Administrator. Co-Lead Counsel shall have the right, but not the obligation, to advise the Claims Administrator to waive what Co-Lead Counsel deems to be *de minimis* or formal or technical defects in any Proofs of Claim submitted. Settling Defendant and Settling Defendant's Counsel shall have no liability, obligation or responsibility for the administration of the Settlement, the allocation of the Net Settlement Fund, or the reviewing or challenging of claims of Settlement Class Members. Co-Lead Counsel shall be solely responsible for designating the Claims Administrator, subject to approval by the Court.

29. For purposes of determining the extent, if any, to which a Settlement Class Member shall be treated as an Authorized Claimant, the following conditions shall apply:

(a) Each Settlement Class Member shall be required to submit a Proof of Claim, substantially in the form attached hereto as Exhibit A-2 to Exhibit A, supported by such documents as are designated therein, including proof of the claimant's loss, or such other

documents or proof as the Claims Administrator or Co-Lead Counsel, in their discretion, may deem acceptable;

(b) All Proofs of Claim must be submitted by the date set by the Court in the Preliminary Approval Order Concerning Deloitte and specified in the Notice, unless such deadline is extended by Co-Lead Counsel in their discretion, or by Order of the Court. Any Settlement Class Member who fails to submit a Proof of Claim by such date shall be barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Stipulation (unless, by Order of the Court or the discretion of Co-Lead Counsel, late-filed Proofs of Claim are accepted), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternative Judgment and all releases provided for herein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind against any Released Deloitte Defendant Parties. Provided that it is received before the motion for the Distribution Order is filed, a Proof of Claim shall be deemed to be submitted when mailed, if received with a postmark on the envelope and if mailed by first-class or overnight U.S. Mail and addressed in accordance with the instructions thereon. In all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator;

(c) Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator, under the supervision of Co-Lead Counsel, who shall determine in accordance with this Stipulation the extent, if any, to which each claim shall be allowed, subject to review by the Court;

(d) Proofs of Claim that do not meet the submission requirements may be rejected. Prior to rejecting a Proof of Claim in whole or in part, the Claims Administrator shall

communicate with the claimant in writing to give the claimant the chance to remedy any curable deficiencies in the Proof of Claim submitted. The Claims Administrator, under supervision of Co-Lead Counsel, shall notify, in a timely fashion and in writing, all claimants whose claims the Claims Administrator proposes to reject in whole or in part for curable deficiencies, setting forth the reasons therefor, and shall indicate in such notice that the claimant whose claim is to be rejected has the right to a review by the Court if the claimant so desires and complies with the requirements of subparagraph (e) below;

(e) If any claimant whose claim has been rejected in whole or in part for curable deficiency desires to contest such rejection, the claimant must, within twenty (20) calendar days after the date of mailing of the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Co-Lead Counsel shall thereafter present the request for review to the Court; and

(f) The determinations of the Claims Administrator accepting or rejecting disputed claims shall be presented to the Court, on notice to Settling Defendant's Counsel, for approval by the Court in the Distribution Order.

30. Each claimant who submits a Proof of Claim shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant's claim, including but not limited to, all releases provided for herein and in the Judgment or Alternative Judgment, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to the claimant's status as a Settlement Class Member and the validity and amount of the claimant's claim. In connection with

processing the Proofs of Claim, no discovery shall be allowed on the merits of the Action or the Settlement.

31. Payment pursuant to the Distribution Order shall be deemed final and conclusive against any and all Settlement Class Members. All Settlement Class Members whose claims are not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternative Judgment to be entered in the Action and the releases provided for herein and therein, and will be barred from bringing any action against the Released Deloitte Defendant Parties concerning the Released Deloitte Claims.

32. All proceedings with respect to the administration, processing and determination of claims described by this Stipulation and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court, but shall not in any event delay or affect the finality of the Judgment or Alternative Judgment.

33. No Person shall have any claim of any kind against the Released Deloitte Defendant Parties or their counsel with respect to the matters set forth in this Section or any of its subsections, or otherwise related in any way to the administration of the Settlement, including without limitation the processing of claims and distributions.

34. No Person shall have any claim against Lead Plaintiff or their counsel (including Co-Lead Counsel), or the Claims Administrator, or other agent designated by Co-Lead Counsel, based on the distributions made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

35. If there is any balance remaining in the Net Settlement Fund after at least six (6) months from the date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), Co-Lead Counsel shall, if feasible and economical, reallocate such balance among Authorized Claimants who have cashed their checks in an equitable and economic fashion. Any balance that still remains in the Net Settlement Fund, after payment of Notice and Administration Expenses, Taxes, and attorneys' fees and expenses, if any, shall be contributed to non-sectarian, not-for-profit charitable organizations serving the public interest, designated by Lead Plaintiff and approved by the Court.

TERMS OF THE PRELIMINARY APPROVAL ORDER CONCERNING DELOITTE

36. Concurrently with their application for preliminary Court approval of the Settlement contemplated by this Stipulation and promptly upon execution of this Stipulation, Co-Lead Counsel and Settling Defendant's Counsel shall jointly apply to the Court for entry of the Preliminary Approval Order Concerning Deloitte, which shall be substantially in the form annexed hereto as Exhibit A. The Preliminary Approval Order Concerning Deloitte will, *inter alia*, set the date for the Settlement Hearing and prescribe the method for giving notice of the Settlement to the Settlement Class.

37. The Settling Parties agree that notice pursuant to the Class Action Fairness Act ("CAFA") is not required. Should the Settling Defendant elect to provide, or should the Court require notice under CAFA to any governmental or regulatory bodies, then the Settling Defendant shall be responsible for such notice.

TERMS OF THE JUDGMENT

38. If the Settlement contemplated by this Stipulation is approved by the Court, Co-Lead Counsel and Settling Defendant's Counsel shall jointly request that the Court enter a Judgment substantially in the form annexed hereto as Exhibit B.

39. The proposed Judgment will contain the following bar order provisions:

(a) Upon the Effective Date, Lead Plaintiff and each and every other Settlement Class Member, on behalf of themselves and each of their respective agents, representatives, 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 Deloitte Claims as against each and every one of the Released Deloitte Defendant Parties and shall forever be BARRED, ENJOINED and RESTRAINED from commencing, instituting, prosecuting or maintaining any of the Released Deloitte Claims against any of the Released Deloitte Defendant Parties.

(b) Upon the Effective Date, the Settling Defendant, on behalf of itself and its agents, representatives, 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 Deloitte Defendant's Claims as against each and every one of the Released Plaintiff Parties and shall forever be BARRED, ENJOINED and RESTRAINED from commencing, instituting, prosecuting or maintaining any of the Released Deloitte Defendant's Claims against any of the Released Plaintiff Parties.

(c) Pursuant to the PSLRA, upon the Effective Date, the Settling Defendant is discharged from all claims for contribution that have been or may hereafter be brought by or on behalf of any Person, based upon, relating to, or arising out of the Action. Upon the Effective Date, any and all Persons are permanently BARRED, ENJOINED and RESTRAINED from commencing, prosecuting or asserting any and all claims for contribution based upon, relating to, or arising out of the Action, whether arising under state, federal or common law, as claims, cross-claims, counterclaims, or third-party claims, in this Action or as a separate action, in this

Court, in any federal or state court, or in any other court, arbitration proceeding, administrative proceeding, or other forum (collectively, the "Barred Contribution Claims") against the Settling Defendant; and the Settling Defendant is permanently BARRED, ENJOINED and RESTRAINED from commencing, prosecuting or asserting any and all Barred Contribution Claims against any Person, other than a Person whose liability to the Settlement Class has been extinguished pursuant to the Settlement and this Judgment.

(d) Any final verdict or judgment obtained by or on behalf of Lead Plaintiff, the Settlement Class or any Settlement Class Member shall be reduced as provided by the PSLRA.

EFFECTIVE DATE OF SETTLEMENT

40. The Effective Date of this Settlement shall be the first business day on which all of the following shall have occurred or been waived:

- (a) entry of the Preliminary Approval Order Concerning Deloitte, which shall be in all material respects substantially in the form set forth in Exhibit A annexed hereto;
- (b) payment of the Deloitte Settlement Amount into the Escrow Account;
- (c) approval by the Court of the Settlement, following notice to the Settlement Class and the Settlement Hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure; and
- (d) a Judgment, which shall be in all material respects substantially in the form set forth in Exhibit B annexed hereto, has been entered by the Court and has become Final; or in the event that an Alternative Judgment has been entered and none of the Settling Parties elects to terminate the Settlement by reason of such variance, the Alternative Judgment has become Final.

WAIVER OR TERMINATION

41. Deloitte and Lead Plaintiff shall have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so ("Termination Notice"), through counsel, to each other within fourteen (14) calendar days of: (i) the Court's Final refusal to enter the Preliminary Approval Order Concerning Deloitte in any material respect; (ii) the Court's Final refusal to approve this Stipulation or any material part of it; (iii) the Court's Final refusal to enter the Judgment in any material respect or an Alternative Judgment; or (iv) the date upon which the Judgment or Alternative Judgment is modified or reversed in any material respect by a Final order of the United States Court of Appeals or the Supreme Court of the United States. For the avoidance of doubt, Lead Plaintiff shall not have the right to terminate the Settlement due to any decision, ruling, or order respecting an application for attorneys' fees or litigation expenses or any plan of allocation.

42. Deloitte shall also have the right to terminate the Settlement in the event the Termination Threshold (defined below) has been reached.

(a) Simultaneously herewith, Settling Defendant's Counsel and Co-Lead Counsel are executing a confidential Supplemental Agreement Regarding Requests for Exclusion ("Supplemental Agreement"). The Supplemental Agreement sets forth certain conditions under which Deloitte shall have the sole option to terminate the Settlement and render this Stipulation null and void in the event that requests for exclusion from the Settlement Class exceed certain agreed-upon criteria (the "Termination Threshold"). The Settling Parties agree to maintain the confidentiality of the Termination Threshold in the Supplemental Agreement, which, unless otherwise ordered by the Court, shall not be filed with the Court, but it may be examined *in camera*, if so requested by the Court (unless otherwise required by court rule).

(b) In the event of a termination of this Settlement pursuant to the Supplemental Agreement, this Stipulation shall become null and void and of no further force and effect, with the exception of the provisions of ¶¶ 46-47, which shall continue to apply.

43. In addition to all of the rights and remedies that the Lead Plaintiff has under the terms of this Stipulation, Lead Plaintiff shall also have the right to terminate the Settlement in the event that Deloitte does not pay, or cause to be paid, the Deloitte Settlement Amount in the time period provided for in ¶ 6 above, by providing written notice of its election to terminate and, thereafter, the Settling Defendant fails to pay the Deloitte Settlement Amount within fourteen (14) calendar days of such written notice.

44. If, before the Settlement becomes Final, a trustee, receiver, conservator, or other fiduciary is appointed under Title 11 of the United States Code (Bankruptcy), or any similar law, and a Final order of a court of competent jurisdiction determines that the transfer of money or any portion thereof to the Settlement Fund by or on behalf of the Settling Defendant to be a preference, voidable transfer, fraudulent transfer, or similar transaction and any portion thereof is required to be returned, and such amount is not deposited into the Settlement Fund by others within sixty (60) days, then, at the election of Lead Plaintiff, the Settling Parties shall jointly move the Court to vacate and set aside the Stipulation and the Judgment or Alternative Judgment entered, and the Settling Defendant, Lead Plaintiff and the members of the Settlement Class shall be restored to their litigation positions immediately prior to June 11, 2012.

45. If an option to withdraw from and terminate this Stipulation and Settlement arises under any of ¶¶ 41 - 44 above: (i) neither the Settling Defendant nor Lead Plaintiff (as the case may be) will be required for any reason or under any circumstance to exercise that option; and

(ii) any exercise of that option shall be made in good faith, but in the sole and unfettered discretion of the Settling Defendant or Lead Plaintiff, as applicable.

46. In the event the Settlement is terminated or fails to become effective for any reason, then: the Settlement shall be without prejudice, and none of its terms, including, but not limited to, the certification of the Settlement Class, appointment of Class Representative, and appointment of Class Counsel, shall be effective or enforceable except as specifically provided herein; the Settling Parties shall be deemed to have reverted to their respective litigation positions in the Action immediately prior to June 11, 2012; and the Settling Parties in the Action shall proceed in all respects as if this Stipulation and any related orders had not been entered. In such event, this Stipulation or any aspect of the discussions or negotiations leading to this Stipulation, shall not be admissible in this Action and shall not be used by Lead Plaintiff against or to the prejudice of the Settling Defendant or by the Settling Defendant against or to the prejudice of Lead Plaintiff in any court filings, depositions, at trial, or otherwise.

47. In the event the Settlement is terminated or fails to become effective for any reason, any portion of the Deloitte Settlement Amount previously paid on behalf of or by the Settling Defendant, together with any earnings thereon, less any Taxes paid or due, less Notice and Administration Expenses actually incurred and paid or payable from the Deloitte Settlement Amount shall be returned to the entities that made the deposit(s) within ten (10) business days after written notification of such event. At the request of Deloitte, the Escrow Agent or its designee shall apply for any tax refund owed on the amounts in the Escrow Account and pay the proceeds, after any deduction of any fees or expenses incurred in connection with such application(s), for refund to the applicable funder or as otherwise directed.

NO ADMISSIONS

48. Except as set forth in ¶ 49 below, this Stipulation, whether or not consummated, and whether or not approved by the Court, and any discussions, negotiations, proceedings, or agreements relating to the Stipulation, the Settlement, and any matters arising in connection with settlement discussions or negotiations, proceedings, or agreements, shall not be offered or received against or to the prejudice of the Settling Parties for any purpose other than in an action to enforce the terms hereof, and in particular:

(a) do not constitute, and shall not be offered or received against or to the prejudice of the Settling Defendant as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by the Settling Defendant with respect to the truth of any allegation by Lead Plaintiff 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 Deloitte Claims, or of any liability, damages, negligence, fault or wrongdoing of the Settling Defendant or any person or entity whatsoever;

(b) do not constitute, and shall not be offered or received against or to the prejudice of the Settling Defendant 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 Settling Defendant, or against or to the prejudice of Lead Plaintiff or any other members of the Settlement Class as evidence of any infirmity in the claims of Lead Plaintiff 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 the Settling Defendant or against Lead Plaintiff or any other members of the Settlement Class, 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 Settling Parties, in any other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(d) do not constitute, and shall not be construed against the Settling Defendant, Lead Plaintiff, or any other members of the Settlement Class, as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial;

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

49. Settling Defendant may file this Stipulation and/or the Judgment or Alternative Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, statute of limitations, statute of repose, good-faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim, or to effectuate any liability protection granted them under any applicable insurance policies. The Settling Parties may file this Stipulation and/or the Judgment or Alternative Judgment in any action that may be brought to enforce the terms of this Stipulation and/or the Judgment or Alternative Judgment. All Settling Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement.

MISCELLANEOUS PROVISIONS

50. All of the exhibits to the Stipulation, except any plan of allocation, are material and integral parts hereof and are fully incorporated herein by this reference.

51. Settling Defendant warrants that, as to the payments made on behalf of the Settling Defendant, at the time of such payment, the Settling Defendant will not be insolvent, nor will the payment required to be made, if made by the Settling Defendant itself, render the Settling Defendant insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including §§ 101 and 547 thereof.

52. The Settling Parties intend the Settlement to be the full, final, and complete resolution of all claims asserted or which could have been asserted by the Settling Parties with respect to the Released Deloitte Claims and Released Deloitte Defendant's Claims. Accordingly, the Settling Parties agree not to assert in any forum that the Action was brought, prosecuted, or defended in bad faith or without a reasonable basis. The Settling Parties and their counsel agree that each has complied fully with Rule 11 of the Federal Rules of Civil Procedure in connection with the maintenance, prosecution, defense, and settlement of the Action and shall not make any applications for sanctions, pursuant to Rule 11 or other court rule or statute, with respect to any claims or defenses in this Action. The Settling Parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's-length and in good faith by the Settling Parties and their respective counsel in connection with a mediation conducted under the auspices of Judge Phillips, and reflect a settlement that was reached voluntarily based upon adequate information and after consultation with experienced legal counsel.

53. This Stipulation, along with its exhibits and the Supplemental Agreement may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by all Settling Parties hereto or their successors.

54. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

55. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and any expenses; and implementing and enforcing the terms of this Stipulation.

56. The waiver by one Settling Party of any breach of this Stipulation by any other Settling Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

57. This Stipulation, its exhibits, and the Supplemental Agreement constitute the entire agreement among the Settling Parties concerning the Settlement as against the Settling Defendant, and no representations, warranties, or inducements have been made by any Settling Party concerning this Stipulation and its exhibits other than those contained and memorialized in such documents.

58. Nothing in the Stipulation, or the negotiations relating thereto, is intended to or shall be deemed to constitute a waiver of any applicable privilege or immunity, including, without limitation, attorney-client privilege, joint defense privilege, or work product protection.

59. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions of this Stipulation.

60. All designations and agreements made, or orders entered during the course of the Action relating to the confidentiality of documents or information shall survive this Stipulation. Consistent with the terms of Paragraph 20 of the Stipulation and Protective Order, which shall survive this Stipulation, all Confidential or Highly Confidential Discovery Material shall be returned to the Disclosing Party or destroyed within sixty (60) days after the final conclusion of all aspects of the Action.

61. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. Signatures sent by facsimile or pdf'd via e-mail shall be deemed originals.

62. This Stipulation shall be binding when signed, but the Settlement shall be effective only on the condition that the Effective Date occurs.

63. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties.

64. The construction, interpretation, operation, effect, and validity of this Stipulation, and all documents necessary to effectuate it, shall be governed by the laws of the State of New York without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

65. This Stipulation shall not be construed more strictly against one Settling Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Settling Parties, it being recognized that it is the result of arm's-length negotiations among the Settling Parties, and all Settling Parties have contributed substantially and materially to the preparation of this Stipulation.

66. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related Settlement documents, warrant and represent that they have the full authority to do so, and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

67. The Settling Parties and their counsel agree to cooperate fully with one another in promptly applying for preliminary approval by the Court of the Settlement and for the scheduling of a hearing for consideration of Final approval of the Settlement and Co-Lead Counsel's

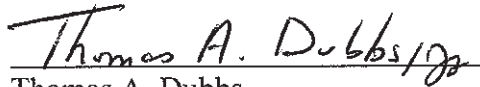
application for an award of attorneys' fees and expenses by September 19, 2012, and to agree promptly upon and execute all such other documentation as reasonably may be required to obtain Final approval by the Court of the Settlement.

68. If any disputes arise out of the finalization of the settlement documentation or the Settlement itself prior to joint submission to the Court of the application for preliminary approval of the Settlement as set forth in ¶ 36 above, those disputes will be resolved by Judge Phillips first by way of expedited telephonic mediation and, if unsuccessful, then by way of final, binding, non-appealable resolution.

69. Except as otherwise provided herein, each Settling Party shall bear its own costs.

IN WITNESS WHEREOF, the Settling Parties have caused this Stipulation to be executed, by their duly authorized attorneys, as of June 11, 2012.

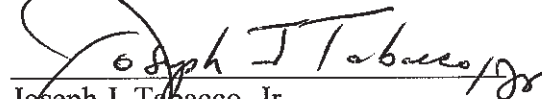
LABATON SUCHAROW LLP



Thomas A. Dubbs
James W. Johnson
140 Broadway
New York, NY 10005
Tel: (212) 907-0700
Fax: (212) 818-0477

-and-

BERMAN DEVALERIO



Joseph J. Tabacco, Jr.
One California Street, Suite 900
San Francisco, CA 94111
Tel: (415) 433-3200
Fax: (415) 433-6382

Patrick T. Egan

John H. Sutter
One Liberty Square
Boston, MA 02109
Tel: (617) 542-8300
Fax: (617) 542-1194

*Co-Lead Counsel for Lead Plaintiff State of
Michigan Retirement Systems*

CRAVATH, SWAINE & MOORE LLP



Thomas G. Rafferty
Antony L. Ryan
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019-7475
Tel: (212) 474-1000
Fax: (212) 474-3700

Attorneys for Deloitte & Touche LLP

EXHIBIT A

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE THE BEAR STEARNS COMPANIES,
INC. SECURITIES, DERIVATIVE, AND
ERISA LITIGATION

This Document Relates To:

Securities Action, 08 Civ. 2793 (RWS)

Master File No.:
08 MDL No. 1963 (RWS)

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
PARTIAL CLASS ACTION
SETTLEMENT WITH DELOITTE,
APPROVING FORM AND MANNER
OF NOTICE, AND SETTING DATE
FOR HEARING ON FINAL
APPROVAL OF SETTLEMENT**

WHEREAS, as of June 11, 2012, The State of Michigan Retirement Systems (“Lead Plaintiff”), on behalf of itself and the Settlement Class, and Deloitte & Touche LLP (“Deloitte” or the “Settling Defendant”) entered into a Stipulation and Agreement of Settlement with Deloitte & Touche LLP (the “Stipulation”) in the above-titled litigation (the “Action”), which is subject to review under Rule 23 of the Federal Rules of Civil Procedure and which, together with the exhibits thereto, sets forth the terms and conditions of the proposed partial settlement of the claims alleged in the Consolidated Class Action Complaint for Violations of the Federal Securities Laws, filed February 27, 2009 (“Complaint”) against Deloitte on the merits and with prejudice (the “Settlement”); and

WHEREAS, the Court has read and considered the Stipulation and the accompanying exhibits; and

WHEREAS, the Settling Parties to the Stipulation have consented to the entry of this order; and

WHEREAS, all capitalized terms used in this order that are not otherwise defined herein have the meanings defined in the Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED, this _____ day of _____, 2012 that:

1. The Court has reviewed the Stipulation and preliminarily finds the Settlement set forth therein to be fair, reasonable and adequate, subject to further consideration at the Settlement Hearing described below.

2. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Court hereby certifies, for the purposes of the Settlement only, the Settlement Class of: all Persons who, during the period from December 14, 2006 to and through March 14, 2008, inclusive, (the "Class Period"), purchased or otherwise acquired the publicly traded common stock or other equity securities, or call options of or guaranteed by The Bear Stearns Companies Inc. ("Bear Stearns"), or sold Bear Stearns put options, either in the open market or pursuant or traceable to a registration statement, and were damaged thereby. The Settlement Class also includes all persons who received Bear Stearns Capital Accumulation Plan ("CAP") Units and Restricted Stock Units that had fully vested, entitling them to an equivalent number of shares of Bear Stearns common stock upon settlement at the end of a deferral period during the Class Period, as part of their compensation as an employee with Bear Stearns and participation in its CAP and Restricted Stock Unit Plan. Excluded from the Settlement Class are: the Defendants; the officers and directors of Bear Stearns; the members of the immediate families of the Individual Defendants; any firm, trust, partnership, corporation, or entity in which any Defendant

has a controlling interest; and the legal representatives, heirs, successors-in-interest or assigns of any such excluded Person. Also excluded from the Settlement Class are those putative Settlement Class Members who properly exclude themselves by filing a valid and timely request for exclusion in accordance with the requirements set forth in the Notice.

3. The Court finds and concludes that the prerequisites of class action certification under Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedures have been satisfied for the Settlement Class defined herein and for the purposes of the Settlement only, in that:

- (a) the members of the Settlement Class are so numerous that joinder of all Settlement Class Members is impracticable;
- (b) there are questions of law and fact common to the Settlement Class Members;
- (c) the claims of Lead Plaintiff are typical of the Settlement Class's claims;
- (d) Lead Plaintiff and Co-Lead Counsel have fairly and adequately represented and protected the interests of the Settlement Class;
- (e) the questions of law and fact common to Settlement Class Members predominate over any individual questions; and
- (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy, considering that the claims of Settlement Class Members in the Action are substantially similar and would, if tried, involve substantially identical proofs and may therefore be efficiently litigated and resolved on an aggregate basis as a class action; the amounts of the claims of many of the Settlement Class Members are too small to justify the expense of individual actions; and it does not appear that there is significant

interest among Settlement Class Members in individually controlling the litigation of their claims.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Lead Plaintiff is certified as Class Representative for the Settlement Class. The law firms of Labaton Sucharow LLP and Berman DeValerio are appointed Class Counsel for the Settlement Class.

5. A hearing (the “Settlement Hearing”) pursuant to Rule 23(e) of the Federal Rules of Civil Procedure is hereby scheduled to be held before the Court on _____, 2012, at __:____.m. for the following purposes:

(a) to determine whether the proposed Settlement is fair, reasonable and adequate, and should be approved by the Court;

(b) to determine whether the proposed Final Order and Judgment as to Deloitte & Touche LLP (“Judgment”) as provided under the Stipulation should be entered, and to determine whether the release by the Settlement Class of the Released Deloitte Claims, as set forth in the Stipulation, should be provided to the Released Deloitte Defendant Parties;

(c) to determine, for purposes of the Settlement only, whether the Settlement Class should be finally certified; whether Lead Plaintiff should be finally certified as Class Representative for the Settlement Class; and whether the law firms of Labaton Sucharow LLP and Berman DeValerio should be finally appointed as Class Counsel for the Settlement Class;

(d) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable and should be approved by the Court;

(e) to consider Co-Lead Counsel’s application for an award of attorneys’ fees and reimbursement of expenses (which may include an application for an award to Lead

Plaintiff for reimbursement of its reasonable costs and expenses directly related to its representations of the Settlement Class, pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”)); and

(f) to rule upon such other matters as the Court may deem appropriate.

6. The Court reserves the right to approve the Settlement with or without modification and with or without further notice to the Settlement Class of any kind. The Court further reserves the right to enter the Judgment approving the Settlement regardless of whether it has approved the Plan of Allocation or awarded attorneys’ fees and/or expenses. The Court may also adjourn the Settlement Hearing or modify any of the dates herein without further notice to members of the Settlement Class.

7. The Court approves the form, substance and requirements of the Notice of Pendency of Class Action and Proposed Settlements with the Bear Stearns Defendants and Deloitte and Motion for Attorneys’ Fees and Expenses (the “Notice”) and the Proof of Claim and Release form (“Proof of Claim”), substantially in the forms annexed hereto as Exhibits 1 and 2, respectively.

8. The Court approves the retention of GCG, Inc. as the Claims Administrator. The Claims Administrator shall cause the Notice and the Proof of Claim, substantially in the forms annexed hereto, to be mailed, by first-class mail, postage prepaid, on or before ten (10) business days after the date of entry of this order (“Notice Date”), to all Settlement Class Members who can be identified with reasonable effort.

9. The Claims Administrator shall use reasonable efforts to give notice to nominee purchasers such as brokerage firms and other persons or entities who purchased or otherwise acquired the publicly traded securities of Bear Stearns during the Class Period as record owners

but not as beneficial owners. Such nominee purchasers are directed, within seven (7) calendar days of their receipt of the Notice, to either (i) provide the Claims Administrator with lists of the names and last known addresses of the beneficial owners, and the Claims Administrator is ordered to send the Notice and Proof of Claim promptly to such identified beneficial owners by first-class mail, or (ii) request additional copies of the Notice and Proof of Claim, and within seven (7) calendar days of receipt of such copies send them by first-class mail directly to the beneficial owners. Nominee purchasers who elect to send the Notice and Proof of Claim to their beneficial owners shall also send a statement to the Claims Administrator confirming that the mailing was made as directed. Additional copies of the Notice shall be made available to any record holder requesting such for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Settlement Fund, after receipt by the Claims Administrator of proper documentation, for their reasonable expenses actually incurred in sending the Notices and Proofs of Claim to beneficial owners.

10. Co-Lead Counsel shall, at or before the Settlement Hearing, file with the Court proof of mailing of the Notice and Proof of Claim.

11. The Court approves the form of the Summary Notice of Pendency of Class Action and Proposed Settlements with the Bear Stearns Defendants and Deloitte and Motion for Attorneys' Fees and Expenses ("Summary Notice") substantially in the form annexed hereto as Exhibit 3, and directs that Co-Lead Counsel shall cause the Summary Notice to be published in *Investor's Business Daily* and be transmitted over *PR Newswire* within fourteen (14) calendar days of the Notice Date. Co-Lead Counsel shall, at or before the Settlement Hearing, file with the Court proof of publication of the Summary Notice.

12. The form and content of the notice program described herein, and the methods set forth herein of notifying the Settlement Class of the Settlement and its terms and conditions, meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, 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, constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons and entities entitled thereto.

13. In order to be eligible to receive a distribution from the Net Settlement Fund, in the event the Settlement is effected in accordance with the terms and conditions set forth in the Stipulation, each Settlement Class Member shall take the following actions and be subject to the following conditions:

(a) A properly executed Proof of Claim, substantially in the form annexed hereto as Exhibit 2, must be submitted to the Claims Administrator, at the address indicated in the Notice, postmarked no later than 120 calendar days after the Notice Date. Such deadline may be further extended by Court order or by Co-Lead Counsel in their discretion. Each Proof of Claim shall be deemed to have been submitted when postmarked (if properly addressed and mailed by first-class or overnight mail, postage prepaid) provided such Proof of Claim is actually received prior to the motion for an order of the Court approving distribution of the Net Settlement Fund. Any Proof of Claim submitted in any other manner shall be deemed to have been submitted when it was actually received at the address designated in the Notice. Any Settlement Class Member who does not timely submit a Proof of Claim within the time provided for shall be barred from sharing in the distribution of the Net Settlement Fund, unless otherwise ordered by the Court, but shall remain bound by all determinations and judgments in this Action concerning the Settlement, as provided by paragraph 15 of this order.

(b) The Proof of Claim submitted by each Settlement Class Member must satisfy the following conditions, unless otherwise ordered by the Court: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by Co-Lead Counsel; (iii) if the person executing the Proof of Claim is acting in a representative capacity, a certification of her current authority to act on behalf of the Settlement Class Member must be included in the Proof of Claim; and (iv) the Proof of Claim must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

(c) As part of the Proof of Claim, each Settlement Class Member shall submit to the jurisdiction of the Court with respect to the claim submitted.

14. Any Settlement Class Member may enter an appearance in this Action, at his, her or its own expense, individually or through counsel of his, her or its own choice. If any Settlement Class Member does not enter an appearance, he, she or it will be represented by Co-Lead Counsel.

15. Settlement Class Members shall be bound by all orders, determinations and judgments in this Action concerning the Settlement, whether favorable or unfavorable, unless such Persons request exclusion from the Settlement Class in a timely and proper manner, as hereinafter provided. A putative Settlement Class Member wishing to make such an exclusion request shall mail the request in written form by first-class mail to the address designated in the

Notice for such exclusions, such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing. Such request for exclusion must state the name, address and telephone number of the Person seeking exclusion, must state that the sender requests to be “excluded from the Settlement Class in *In re The Bear Stearns Companies, Inc. Sec., Deriv., and ERISA Litig.*, Securities Action, 08 Civ. 2793, 08 MDL No. 1963 (RWS) (S.D.N.Y.)” and must be signed by such Person. Such Persons requesting exclusion are also directed to state the information requested in the Notice, including, but not limited to: the date(s), price(s), and number(s) of shares of all purchases, acquisitions, sales of Bear Stearns equity securities, options, and/or stock units during the Class Period, and the amount of holdings of these securities (or units). The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court. A request for exclusion that is allowed by the Court will exclude such Person from both the Settlement and the settlement pursuant to the Stipulation and Agreement of Settlement with the Bear Stearns Defendants, dated as of June 5, 2012 (the “Bear Stearns Settlement”)

16. Putative Settlement Class Members requesting exclusion from the Settlement Class shall not be eligible to receive any payment out of the Net Settlement Fund as described in the Stipulation and Notice.

17. The Court will consider any Settlement Class Member’s objection to the Settlement, the Plan of Allocation, and/or the application for an award of attorneys’ fees or reimbursement of expenses only if such Settlement Class Member has served by hand or by mail his, her or its written objection and supporting papers such that they are received on or before twenty-one (21) calendar days before the Settlement Hearing, upon Co-Lead Counsel: Thomas

A. Dubbs and James W. Johnson, Labaton Sucharow LLP, 140 Broadway, New York, NY 10005; Patrick T. Egan, Berman DeValerio LLP, One Liberty Square, Boston, MA 02109; Deloitte's Counsel, Thomas G. Rafferty and Antony L. Ryan, Cravath Swaine & Moore LLP, Worldwide Plaza, 825 Eighth Avenue, New York, NY 10019-7475; and Bear Stearns's Counsel, Brad S. Karp and Eric S. Goldstein, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019, and has filed said objections and supporting papers with the Clerk of the Court, United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007. Any Settlement Class Member who does not make his, her or its objection in the manner provided for in the Notice shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to any aspect of the Settlement, to the Plan of Allocation, or to the request for attorneys' fees and expenses, unless otherwise ordered by the Court, but shall otherwise be bound by the Judgment to be entered and the releases to be given. Attendance at the hearing is not necessary, however, persons wishing to be heard orally in opposition to the approval of the Settlement, the Plan of Allocation, and/or the application for an award of attorneys' fees and other expenses are required to indicate in their written objection their intention to appear at the hearing. Persons who intend to object to the Settlement, the Plan of Allocation, and/or the application for an award of attorneys' fees and expenses and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

18. Pending final determination of whether the Settlement should be approved, Lead Plaintiff, all Settlement Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not institute, commence or prosecute any action which asserts Released Deloitte Claims against the Released Deloitte Defendant Parties.

19. As provided in the Stipulation, prior to the Effective Date, Co-Lead Counsel may pay the Claims Administrator a portion of the reasonable fees and costs associated with giving notice to the Settlement Class and the review of claims and administration of the Settlement out of the Settlement Fund without further approval from the Settling Defendant and without further order of the Court.

20. All papers in support of the Settlement, Plan of Allocation, and Co-Lead Counsel's request for an award of attorneys' fees and expenses shall be filed with the Court and served on or before thirty-five (35) calendar days prior to the date set herein for the Settlement Hearing. If reply papers are necessary, they are to be filed with the Court and served no later than seven (7) calendar days prior to the Settlement Hearing.

21. The passage of title and ownership of the Settlement Fund to the Escrow Agent in accordance with the terms and obligations of the Stipulation is approved. No person who is not a Settlement Class Member or Co-Lead Counsel shall have any right to any portion of, or to any distribution of, the Net Settlement Fund unless otherwise ordered by the Court or otherwise provided in the Stipulation.

22. All funds held in escrow shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court until such time as such funds shall be disbursed pursuant to the Stipulation and/or further order of the Court.

23. Neither Deloitte nor its counsel shall have any responsibility for the Plan of Allocation or any application for attorney's fees or reimbursement of expenses submitted by Co-Lead Counsel or Lead Plaintiff, and such matters shall be considered separately from the fairness, reasonableness and adequacy of the Settlement.

24. If the Settlement fails to become effective as defined in the Stipulation or is terminated, then, in any such event, the Stipulation, including any amendment(s) thereof, except as expressly provided in the Stipulation, and this Preliminary Approval Order shall be null and void, of no further force or effect, and without prejudice to any Settling Party, and may not be introduced as evidence or used in any actions or proceedings by any person or entity against the Settling Parties, and the Settling Parties shall be deemed to have reverted to their respective litigation positions in the Action as of June 8, 2012.

25. The Court retains exclusive jurisdiction over the Action to consider all further matters arising out of or connected with the Settlement.

Dated: _____, 2012

Honorable Robert W. Sweet
UNITED STATES DISTRICT JUDGE

EXHIBIT A-1

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE THE BEAR STEARNS COMPANIES,
INC. SECURITIES, DERIVATIVE, AND
ERISA LITIGATION

This Document Relates To:

Securities Action, 08 Civ. 2793 (RWS)

Master File No.:
08 MDL No. 1963 (RWS)

**NOTICE OF PENDENCY OF CLASS
ACTION AND PROPOSED
SETTLEMENTS WITH THE BEAR
STEARNS DEFENDANTS AND
DELOITTE AND MOTION FOR
ATTORNEYS' FEES AND EXPENSES**

If you purchased or acquired the publicly traded equity securities or options of The Bear Stearns Companies Inc. (“Bear Stearns”), or were an employee who received stock units, during the period from December 14, 2006 to and through March 14, 2008, inclusive (the “Class Period”), and were damaged thereby, you may be entitled to a payment from two class action settlements.

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

The purpose of this Notice is to inform you of (a) the pendency of this class action (the “Action”), (b) the proposed partial settlement of the Action with the Bear Stearns Defendants (defined below), (c) the proposed partial settlement of the Action with Deloitte & Touche LLP (“Deloitte”), and (d) the hearing to be held by the Court to consider (i) whether the settlements should be approved, (ii) the application of plaintiff’s counsel for attorneys’ fees and expenses, and (iii) certain other matters (the “Settlement Hearing”). This Notice describes important rights you may have and what steps you must take if you wish to participate in the settlements or wish

to be excluded from the Settlement Class (defined below).¹

- If approved by the Court, the settlement with the Bear Stearns Defendants will provide a \$275 million cash settlement fund for the benefit of eligible investors (the “Bear Stearns Settlement”). If approved by the Court, the settlement with Deloitte will provide a \$19.9 million cash settlement fund for the benefit of eligible investors (the “Deloitte Settlement” and, together with the Bear Stearns Settlement, the “Settlements”).
- The Settlements resolve claims by The State of Michigan Retirement Systems (“Lead Plaintiff”) that the Bear Stearns Defendants and Deloitte misled investors about Bear Stearns’s financial condition and business prospects, avoids the costs and risks of continuing the litigation, pays money to investors like you, and releases the Bear Stearns Defendants and Deloitte from liability.²
- **Your legal rights are affected whether you act or do not act. Read this Notice carefully.**
- The Court will review the Settlements at the Settlement Hearing to be held on _____, 2012.

YOUR LEGAL RIGHTS AND OPTIONS IN THESE SETTLEMENTS	
SUBMIT A CLAIM FORM BY _____, 2012	The only way to get a payment.

¹ All capitalized terms not otherwise defined in this Notice have the meanings provided in the Stipulation and Agreement of Settlement with the Bear Stearns Defendants (the “Bear Stearns Stipulation”), dated as of June 5, 2012, or the Stipulation and Agreement of Settlement with Deloitte & Touche LLP (the “Deloitte Stipulation”), dated as of June _____, 2012 (collectively, the “Stipulations”).

² The Settlements do not release claims in the related “ERISA Action” (*In re The Bear Stearns Companies, Inc. Sec., Deriv., and ERISA Litig.*, ERISA Action, 08 Civ. 2804 (RWS) (S.D.N.Y.)) or “Derivative Action” (*In re The Bear Stearns Companies, Inc. Sec., Deriv., and ERISA Litig.*, Derivative Action, 07 Civ. 10453 (RWS) (S.D.N.Y.)).

EXCLUDE YOURSELF BY _____, 2012	Get no payment. This is the only option that allows you to ever bring or be part of any <u>other</u> lawsuit about the Released Claims and Released Deloitte Claims (both defined below) against the Bear Stearns Defendants, Deloitte, and the other released defendant parties (defined below).
OBJECT BY _____, 2012	Write to the Court about why you do not like the Settlements, the proposed Plan of Allocation and/or the request for attorneys' fees and expenses. You will still be a member of the Settlement Class (defined below).
GO TO A HEARING ON _____, 2012	Ask to speak in Court about the Settlements at the Settlement Hearing.
DO NOTHING	Get no payment. Give up rights.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlements and whether to finally certify this as a class action. Payments will be made in the Bear Stearns Settlement if the Court approves it and in the Deloitte Settlement if the Court approves it, and after any appeals are resolved. Please be patient.

SUMMARY OF THIS NOTICE

(a) Statement of Plaintiff's Recovery

1. The Combined Settlements: The Settlements, if approved, result in a combined settlement fund of \$294.9 million, plus interest, if any (the "Settlement Funds"). Lead Plaintiff estimates the following average recoveries per allegedly damaged security, based on Lead Plaintiff's estimate of the number of Bear Stearns equity securities and options entitled to participate in the Settlements, and assuming that all such securities entitled to participate do so, before deduction of Court-approved expenses, such as attorneys' fees and expenses and administrative costs:³ \$ ____ per allegedly damaged common stock share and stock unit; \$ ____

³ An allegedly damaged share might have been traded more than once during the Class Period, and the indicated average recovery would be the estimated average for each purchase of a share which allegedly incurred damages.

per allegedly damaged call option; \$____ per allegedly damaged put option; and \$____, \$__ and \$____ per allegedly damaged Series E, Series F and Series G Preferred shares, respectively.

2. The Bear Stearns Settlement: The Bear Stearns Settlement, if approved, will create a settlement fund of \$275 million in cash, plus interest, if any (the “Bear Stearns Settlement Fund”). Lead Plaintiff estimates the following average recoveries per allegedly damaged security, based on Lead Plaintiff’s estimate of the number of Bear Stearns equity securities and options entitled to participate in the Settlements, and assuming that all such securities entitled to participate do so, before deduction of Court-approved expenses, such as attorneys’ fees and expenses and administrative costs:⁴ \$____ per allegedly damaged common stock share and stock unit; \$____ per allegedly damaged call option; \$____ per allegedly damaged put option; and \$____, \$__ and \$____ per allegedly damaged Series E, Series F and Series G Preferred shares, respectively.

3. The Deloitte Settlement: The Deloitte Settlement, if approved, will create a settlement fund of \$19.9 million in cash, plus interest, if any (the “Deloitte Settlement Fund”). Lead Plaintiff estimates the following average recoveries per allegedly damaged security, based on Lead Plaintiff’s estimate of the number of Bear Stearns equity securities and options entitled to participate in the Settlements, and assuming that all such securities entitled to participate do so, before deduction of Court-approved expenses, such as attorneys’ fees and expenses and administrative costs:⁵ \$____ per allegedly damaged common stock share and stock unit; \$____ per allegedly damaged call option; \$____ per allegedly damaged put option; and \$____, \$__ and \$____ per allegedly damaged Series E, Series F and Series G Preferred shares, respectively.

⁴ An allegedly damaged share might have been traded more than once during the Class Period, and the indicated average recovery would be the estimated average for each purchase of a share which allegedly incurred damages.

⁵ An allegedly damaged share might have been traded more than once during the Class Period, and the indicated average recovery would be the estimated average for each purchase of a share which allegedly incurred damages.

4. A Settlement Class Member's actual recovery will be a portion of the net settlement funds (defined below) created in the Settlements, determined by comparing his, her, or its "Recognized Loss" to the total Recognized Losses of all Settlement Class Members who submit acceptable Proofs of Claim. An individual Settlement Class Member's actual recovery will depend on, for example: (1) the total number of claims submitted; (2) when the Settlement Class Member purchased or acquired Bear Stearns equity securities, options, or stock units during the Class Period; (3) the purchase price paid; (4) the type of securities purchased or acquired; and (5) whether the Bear Stearns securities were held at the end of the Class Period or sold (and, if sold, when they were sold and the amount received). See the Plan of Allocation beginning on page [] for information on your Recognized Loss and the securities that are eligible to participate.

(b) Statement of Potential Outcome if the Action Continued to Be Litigated

The settling parties disagree on both liability and damages and do not agree on the average amount of damages, if any, that would be recoverable if Lead Plaintiff were to prevail on each claim alleged. The issues on which the settling parties disagree include, but are not limited to: (1) whether the Bear Stearns Defendants or Deloitte made any material misstatements or omissions; (2) whether the Bear Stearns Defendants or Deloitte acted with the required state of mind; (3) whether this Action is maintainable as a class action; (4) the amount by which Bear Stearns equity securities, options, or stock units were allegedly artificially inflated (if at all) during the Class Period; (5) the extent to which the various matters that Lead Plaintiff alleged were false and misleading influenced (if at all) the trading price of Bear Stearns equity securities or options at various times during the Class Period; (6) whether any purchasers/acquirers of Bear Stearns equity securities, options, or stock units have suffered damages as a result of the alleged misstatements and omissions in Bear Stearns public statements; (7) the extent of such damages, assuming they exist; (8) the appropriate economic model for measuring damages; and (9) the extent to which external factors, such as general market and industry conditions, influenced the trading price of Bear Stearns equity securities or options at various times during the Class Period.

The Bear Stearns Defendants and Deloitte have denied and continue to deny any wrongdoing, deny that they have committed any act or omission giving rise to any liability or violation of law, and deny that Lead Plaintiff and the Settlement Class have suffered any losses attributable to the Bear Stearns Defendants' and Deloitte's actions. While Lead Plaintiff believes that it has meritorious claims, it recognizes that there are significant obstacles in the way to recovery.

(c) Statement of Attorneys' Fees and Litigation Expenses Sought

Labaton Sucharow LLP and Berman DeValerio ("Co-Lead Counsel") intend to make a motion asking the Court to award attorneys' fees not to exceed 12% of the Bear Stearns Settlement Fund and 12% of the Deloitte Settlement Fund and approve payment of litigation expenses incurred to date in prosecuting this action in an amount not to exceed \$_____, plus any interest on such amounts at the same rate and for the same periods as earned by the Settlement Funds ("Fee and Expense Application"). Co-Lead Counsel's Fee and Expense Application may include a request for an award to Lead Plaintiff for reimbursement of its reasonable costs and expenses, including lost wages, directly related to its representation of the Settlement Class.

If the Court approves the Fee and Expense Application with respect to both Settlements, the average combined cost per allegedly damaged security would be: \$____ per allegedly damaged common stock share and stock unit; \$____ per allegedly damaged call option; \$____ per allegedly damaged put option; and \$____, \$____ and \$____ per allegedly damaged Series E, Series F and Series G Preferred shares, respectively.⁶

⁶ The Fee and Expense Application cost for just the Bear Stearns Settlement would be: \$____ per allegedly damaged common stock share and stock unit; \$____ per allegedly damaged call option; \$____ per allegedly damaged put option; and \$____, \$____ and \$____ per allegedly damaged Series E, Series F and Series G Preferred shares, respectively. The Fee and Expense Application cost for just the Deloitte Settlement would be: \$____ per allegedly damaged common stock share and stock unit; \$____ per allegedly damaged call option; \$____ per allegedly damaged put option; and \$____, \$____ and \$____ per allegedly damaged Series E, Series F and Series G Preferred shares, respectively.

The average cost per damaged security will vary depending on the number of acceptable claims submitted. Co-Lead Counsel have expended considerable time and effort in the prosecution of this litigation without receiving any payment, and have advanced the expenses of the litigation, such as the cost of experts, in the expectation that if they were successful in obtaining a recovery for the Settlement Class they would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovered as attorneys' fees.

(d) Further Information

Further information regarding this Action and this Notice may be obtained by contacting the Claims Administrator: _____, ____-____-____, www.____ or Co-Lead Counsel: Labaton Sucharow LLP, (888) 219-6877, www.labaton.com, settlementquestions@labaton.com; Berman DeValerio, (800) 516-9926, www.bermandevalerio.com, info@bermandevalerio.com.

Do Not Call The Court With Questions About The Settlements

(e) Reasons for the Settlements

For Lead Plaintiff, the principal reason for the Settlements is the immediate benefit to the Settlement Class. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future.

For the Bear Stearns Defendants and Deloitte, who have denied and continue to deny all allegations of wrongdoing or liability whatsoever, the principal reason for the Settlements is to eliminate the burden, expense, uncertainty, and distraction of further litigation.

[END OF COVER PAGE]

A. BASIC INFORMATION

1. Why did I get this notice package?
--

You or someone in your family may have purchased or acquired the equity securities, options, or stock units of Bear Stearns during the period from December 14, 2006 to and through March 14, 2008, inclusive.

The Court in charge of the case is the United States District Court for the Southern District of New York. The lawsuit is known as *In re The Bear Stearns Companies, Inc. Sec., Deriv., and ERISA Litig.*, Securities Action, 08 Civ. 2793 (RWS), Master File No. 08 MDL No. 1963 (RWS) (S.D.N.Y.) (the “Action”) and is assigned to the Honorable Robert W. Sweet. The people who sued are called plaintiffs, and the companies and persons they sued are called defendants.

The Lead Plaintiff in the Action, representing the Settlement Class, is The State of Michigan Retirement Systems. The Bear Stearns Defendants are Bear Stearns, James E. Cayne, Alan D. Schwartz, Warren J. Spector, Alan C. Greenberg, Samuel L. Molinaro Jr., Michael Alix, and Jeffrey M. Farber. Deloitte is another defendant.⁷

The Court directed that this Notice be sent to Settlement Class Members because they have a right to know about the proposed settlements of this class action lawsuit, and about all of their options, before the Court decides whether to approve the Settlements. The Court will review the Settlements at a Settlement Hearing on _____, 2012, at the United States District Court for the Southern District of New York in the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 18C, New York, NY 10007 at __:__ __.m. If the Court approves the Settlements, and after objections and appeals are resolved, a claims administrator appointed by the Court will make the payments that the Settlements allow.

⁷ The Bear Stearns Defendants together with Deloitte are the “Defendants” in the Action.

This package explains the Action, the Settlements, Settlement Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is this lawsuit about and what has happened so far?
--

This Action was commenced on March 17, 2008 by the filing of the initial complaint alleging that certain of the Bear Stearns Defendants and Deloitte violated the federal securities laws. Between March 17, 2008 and July 23, 2008, additional securities class action complaints were filed and subsequently consolidated into this Action by order dated January 6, 2009.

On January 1, 2009, the Court appointed Lead Plaintiff and approved its selection of Co-Lead Counsel to represent the putative class.

Following a detailed investigation that included, among other things, the interviews of numerous former Bear Stearns employees, review of Bear Stearns's public statements and consultation with experts, Lead Plaintiff filed the operative Consolidated Class Action Complaint for Violations of the Federal Securities Laws on February 27, 2009 (the "Complaint"). The Complaint generally alleges, among other things, that the Bear Stearns Defendants violated Sections 10(b), 20(a), and 20A of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by making alleged misstatements and omissions during the Class Period in connection with Bear Stearns's business and financial well-being, including losses in the value of its mortgage-backed assets and the Company's risk profile and liquidity. It also generally alleges, among other things, that Deloitte violated Section 10(b) by making alleged misstatements and omissions during the Class Period in connection with its audits of Bear Stearns's financial statements for fiscal years 2006 and 2007. The Complaint further alleges that Lead Plaintiff and other Settlement Class Members purchased or acquired Bear Stearns securities during the Class Period at artificially inflated prices and were damaged thereby.

On April 24, 2009, Defendants filed two motions to dismiss, which Lead Plaintiff opposed. On January 19, 2011, the Court denied Defendants' motions to dismiss in their entirety.

On March 7, 2011, Defendants filed their Answers, denying the substantive allegations in the Complaint. Discovery commenced, including the production of documents by Defendants and third-parties, which resulted in the production of over nine million pages of documents, approximately six million of which were produced by the Bear Stearns Defendants and approximately 2.5 million of which were produced by Deloitte.

On October 6, 2011, Lead Plaintiff moved to certify a litigation class in the Action. That motion was pending at the time of settlement.

In November 2009, while Defendants' motions to dismiss were pending, Lead Plaintiff and the Bear Stearns Defendants engaged in a mediation with the assistance of an experienced mediator, former United States District Judge Layn R. Phillips. This initial discussion did not result in a resolution of the Action. Later, after the Court's denial of Defendants' motions to dismiss and after the parties had engaged in extensive discovery, Lead Plaintiff and the Bear Stearns Defendants renewed their discussions, with the assistance of Judge Phillips. In May 2012, Lead Plaintiff and Deloitte also commenced negotiations, again with the assistance of Judge Phillips. Following lengthy, arm's-length, and mediated negotiations, Bear Stearns and Lead Plaintiff reached an agreement in principle to settle the claims against the Bear Stearns Defendants. Thereafter, Deloitte and Lead Plaintiff reached an agreement in principle to settle the claims against Deloitte.

Before agreeing to the Settlements, Co-Lead Counsel had conducted an extensive investigation into the events and transactions underlying the claims alleged in the Complaint and had also conducted extensive discovery. Co-Lead Counsel analyzed the evidence adduced during its

investigation and through discovery, which included reviewing and analyzing publicly available information and data concerning Bear Stearns and Deloitte's audits of Bear Stearns, including information concerning investigations conducted by the Financial Crisis Inquiry Commission and the U.S. Securities and Exchange Commission's Office of Inspector General, interviewing numerous former Bear Stearns employees and other persons with relevant knowledge, and consulting with experts on accounting, valuation, damages, and causation issues. Co-Lead Counsel also researched the applicable law with respect to the claims of Lead Plaintiff against the settling defendants and their potential defenses. Thus, at the time the agreements to settle were reached, Co-Lead Counsel had a thorough understanding of the strength and weaknesses of the settling parties' positions.

On June __, 2012, the Court entered (i) the Order Granting Preliminary Approval of Partial Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement, and related supplemental order and (ii) the Order Granting Preliminary Approval of Partial Class Action Settlement with Deloitte, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement. These orders preliminarily approved the Settlements, authorized that this Notice be sent to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlements.

3. Why is this a class action?

In a class action, one or more people called class representatives (in this case Lead Plaintiff) sue on behalf of people who have similar claims. They are known as class members. Here, the Court preliminarily certified the Settlement Class for purposes of the Settlements only. Bringing a case as a class action allows adjudication of many similar claims of persons and entities that might be economically too small to bring individually. One court resolves the issues for all class

members, except for those who exclude themselves from the class. The Court will decide whether to finally certify the Settlement Class at the Settlement Hearing.

4. What are the reasons for the Settlements?

The Court did not finally decide in favor of Lead Plaintiff or the Bear Stearns Defendants or Deloitte. Instead, each side, with the assistance of former United States District Judge Layn R. Phillips acting as a mediator, agreed to their respective settlement.

Lead Plaintiff and Co-Lead Counsel believe that the claims asserted against the Bear Stearns Defendants and Deloitte have merit. Lead Plaintiff and Co-Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the Defendants through trial and appeals, as well as the difficulties in establishing liability. Lead Plaintiff and Co-Lead Counsel have considered the uncertain outcome and the risk of any litigation, especially in complex lawsuits like this one, as well as the difficulties and delays inherent in such litigation. For example, the Defendants have raised a number of arguments and defenses (which they would raise at summary judgment and trial) that there were no actionable misstatements and omissions and, more importantly, that Lead Plaintiff would not be able to establish the Defendants acted with the requisite fraudulent intent. Even assuming Lead Plaintiff could establish liability, the Defendants maintained that any potential investment losses suffered by Lead Plaintiff and the Settlement Class were caused by external, independent factors, and not caused by Defendants' alleged conduct. In the absence of a settlement, the settling parties would present factual and expert testimony on each of these issues, and there is considerable risk that the Court or jury would resolve the inevitable "battle of the experts" against Lead Plaintiff and the Settlement Class.

In light of the amount of the Settlements and the immediate recovery to the Settlement Class, Lead Plaintiff and Co-Lead Counsel believe that the proposed Settlements are fair, reasonable and adequate, and in the best interests of the Settlement Class. The Settlements, which total \$294.9 million in cash (less the various deductions described in this Notice), provide substantial benefits now as compared to the risk that similar or smaller recoveries would be achieved after trial and appeals, possibly years in the future, or that no recovery would be achieved at all.

The Defendants have denied and continue to deny each and every one of the claims alleged by Lead Plaintiff in the Action. The Defendants expressly have denied and continue to deny any wrongdoing or that they have committed any act or omission giving rise to any liability or violation of law arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action. The Defendants also have taken into account the burden, expense, uncertainty, distraction, and risks inherent in any litigation, and have concluded that it is desirable that the Action be fully and finally settled upon the terms and conditions set forth in the Stipulations.

B. WHO IS IN THE SETTLEMENTS

To see if you will get money from these Settlements, you first have to decide if you are a Settlement Class Member.

5. How do I know if I am part of the Settlements?
--

The Court directed, for the purpose of the proposed Settlements, that everyone who fits this description is a Settlement Class Member, unless they are an excluded person or they take steps to exclude themselves (see below):

all persons or entities who, during the period from December 14, 2006 to and through March 14, 2008, inclusive, purchased or otherwise acquired the publicly traded common stock or other equity securities, or call options of or guaranteed by Bear Stearns, or sold Bear Stearns put options, either in the open market or pursuant or traceable to a registration statement, and were damaged thereby. The Settlement Class also includes all persons who received Bear Stearns Capital Accumulation Plan (“CAP”) Units and Restricted Stock Units that had fully vested, entitling them to an equivalent number of shares of Bear Stearns common stock upon settlement at the end of a deferral period during the Class Period, as part of their compensation as an employee with Bear Stearns and participation in its CAP and Restricted Stock Unit Plan.

6. Are there exceptions to being included in the Settlement Class?

Excluded from the Settlement Class are: the Defendants; the officers and directors of Bear Stearns; the members of the immediate families of the Individual Defendants; any firm, trust, partnership, corporation, or entity in which any Defendant has a controlling interest; the legal representatives, heirs, successors-in-interest or assigns of any such excluded Person; and any putative Settlement Class Member who properly excludes himself, herself or itself by filing a valid and timely request for exclusion in accordance with the requirements explained in Question 13, below.

If one of your mutual funds purchased or acquired the publicly traded common stock or other equity securities or options of Bear Stearns during the Class Period, that alone does not make you a Settlement Class Member. You are eligible to be a Settlement Class Member if you individually purchased or acquired Bear Stearns publicly traded equity securities, options, or stock units during the Class Period. Check your investment records or contact your broker to see if you have eligible purchases/acquisitions.

If you only sold Bear Stearns publicly traded common stock, preferred shares, or call options (or purchased put options) during the Class Period, your sale (or purchase of put options) alone does

not make you a Settlement Class Member. You are eligible to be a Settlement Class Member only if you **purchased or acquired** these securities (or sold/wrote put options) during the Class Period.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can call ____ - ____ - ____ or visit **www.____** for more information. Or you can fill out and return the Proof of Claim and Release form (“Proof of Claim”), described in Question 10, to see if you qualify.

C. THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What do the Settlements provide?
--

In exchange for the Bear Stearns Settlement and the release of the Released Claims (defined below) against the Released Defendant Parties (defined below), the Bear Stearns Defendants have agreed to create a \$275 million cash fund, which will earn interest, to be divided, after deduction of Court-awarded attorneys’ fees and expenses, settlement administration costs, and any applicable taxes (the “Bear Stearns Net Settlement Fund”), among all Settlement Class Members who send in valid and timely Proofs of Claim.

In exchange for the Deloitte Settlement and the release of the Released Deloitte Claims (defined below) against the Released Deloitte Defendant Parties (defined below), Deloitte has agreed to create a \$19.9 million cash fund, which will earn interest, to be divided, after deduction of Court-awarded attorneys’ fees and expenses, settlement administration costs, and any applicable taxes (the “Deloitte Net Settlement Fund” and collectively with the Bear Stearns Net Settlement Fund, the “Net Settlement Funds”), among all Settlement Class Members who send in valid and timely Proofs of Claim.

9. How much will my payment be?
--

Your share of the Net Settlement Funds will depend on several things, including: (a) the total amount of Recognized Losses of other Settlement Class Members; (b) the type of Bear Stearns security you purchased or acquired; (c) how many Bear Stearns securities you purchased or acquired; (d) how much you paid for them; (e) when you bought them; and (f) whether or when you sold your securities (or purchased put options), and, if so, for how much.

Your Recognized Loss will be calculated according to the formula shown below in the Plan of Allocation. It is unlikely that you will get a payment for your entire Recognized Loss, given the number of potential Settlement Class Members. After all Settlement Class Members have sent in their Proofs of Claim, the payment you get will be a portion of the Net Settlement Funds based on your Recognized Loss divided by the total of everyone's Recognized Losses. *See* the Plan of Allocation in Question 25 for more information on your Recognized Loss.

**D. HOW YOU GET A PAYMENT—SUBMITTING A
PROOF OF CLAIM**

10. How can I get a payment?

To qualify for a payment, you must send in a completed Proof of Claim. Only one Proof of Claim form is necessary to make a claim in both Settlements. A Proof of Claim is being circulated with this Notice. You may also get a Proof of Claim on the Internet at the websites for the Claims Administrator or Co-Lead Counsel: [www.____.com](http://www.bermandevalerio.com), **www.bermandevalerio.com**, or **www.labaton.com**. The Claims Administrator can also help you if you have questions about the form. Please read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it, and mail it **postmarked no later than _____, 2012.**

11. When would I get my payment?

The Court will hold a Settlement Hearing on _____, **2012**, to decide whether to approve the Settlements. Even if the Court approves the Settlements, there may still be appeals, which can take time to resolve, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed. All Proofs of Claim need to be submitted by _____, **2012**.

Once all the Proofs of Claim are processed and claims are calculated, Co-Lead Counsel, without further notice to the Settlement Class, will apply to the Court for orders distributing the Bear Stearns Net Settlement Fund and the Deloitte Net Settlement Fund to the members of the Settlement Class. Co-Lead Counsel will also ask the Court to approve additional payments, if any, of the Claims Administrator's fees and expenses incurred in connection with giving notice and administering the Settlements. Please be patient.

12. What am I giving up to get a payment and by staying in the Settlement Class?

Unless you exclude yourself, you will stay in the Settlement Class, which means that upon the "Effective Date" of the Bear Stearns Settlement you will release all "Released Claims" (as defined below) against the "Released Defendant Parties" (as defined below) and upon the "Effective Date" of the Deloitte Settlement you will release all "Released Deloitte Claims" (as defined below) against the "Released Deloitte Defendant Parties" (as defined below).

The Effective Date of the Bear Stearns Settlement will occur when an Order by the Court approving the Bear Stearns Settlement becomes Final and is not subject to appeal as set out more fully in the Bear Stearns Stipulation. The Effective Date of the Deloitte Settlement will occur when an Order by the Court approving the Deloitte Settlement becomes Final and is not subject to appeal as set out more fully in the Deloitte Stipulation. The Stipulations are on file with the

Court and available at www.bermandevalerio.com, or www.labaton.com.

If you remain a member of the Settlement Class, all of the Court's orders about the Settlements will apply to you and legally bind you.

Bear Stearns Settlement:

“Released Claims” means any and all claims, rights, causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every nature and description, including both known claims and Unknown Claims (defined below), whether arising under federal, state, foreign or statutory law, common law or administrative law, or any other law, rule or regulation, whether fixed or contingent, accrued or not accrued, matured or unmatured, liquidated or un-liquidated, at law or in equity, whether class or individual in nature, that Lead Plaintiff or any other Settlement Class Member: (i) asserted in the Action; or (ii) could have asserted in the Action or any other action or in any forum, that arise out of, relate to, or are in connection with the claims, allegations, transactions, facts, events, acts, disclosures, statements, representations or omissions or failures to act involved, set forth, or referred to in the complaints filed in the Action and that relate to the purchase of the publicly traded common stock or other equity securities, or call options or sale of put options either in the open market or pursuant or traceable to a registration statement, or the receipt of fully vested CAP Units and Restricted Stock Units, of Bear Stearns during the Class Period. Released Claims do not include: (i) claims to enforce the Settlement; (ii) claims against Deloitte & Touche LLP; (iii) any governmental or regulatory agency's claims in any criminal or civil action against any of the Released Defendant Parties; and (iv) claims in the ERISA Action and the Derivative Action.

“Unknown Claims” means any and all Released Claims that Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Parties, and any Released Defendants’ Claims that the Settling Defendants do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Plaintiff Parties, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to exclude himself, herself, or itself from the Settlement Class. With respect to any and all Released Claims and Released Defendants’ Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff and the Settling Defendants shall expressly, and each other Settlement Class Member shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiff, the other Settlement Class Members, or the Settling Defendants may hereafter discover facts, legal theories, or authorities in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants’ Claims, but Lead Plaintiff and the Settling Defendants shall expressly, fully, finally, and forever settle and release, and each Settlement Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Defendants’ Claims as applicable, without regard to the

subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Lead Plaintiff and the Settling Defendants acknowledge, and other Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims and Released Defendants’ Claims was separately bargained for and was a material element of the Settlement.

“Released Defendant Parties” means the Settling Defendants, their past or present or future subsidiaries, parents, affiliates, principals, successors and predecessors, assigns, officers, directors, shareholders, trustees, partners, agents, fiduciaries, contractors, employees, attorneys, auditors, insurers; the spouses, members of the immediate families, representatives, and heirs of the Individual Defendants, as well as any trust of which any Individual Defendant is the settlor or which is for the benefit of any of their immediate family members; and any firm, trust, corporation, or entity in which any Settling Defendant has a controlling interest and any of the legal representatives, heirs, successors in interest, or assigns of the Settling Defendants. For the avoidance of doubt, Released Defendant Parties does not include Deloitte & Touche LLP.

Deloitte Settlement:

“Released Deloitte Claims” means any and all claims, rights, causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every nature and description, including both known claims and Unknown Claims (defined below), whether arising under federal, state, foreign or statutory law, common law or administrative law, or any other law, rule or regulation, whether fixed or contingent, accrued or not accrued, matured or unmatured, liquidated or un-liquidated, at law or in equity, whether class or individual in nature, that Lead Plaintiff or any other Settlement Class Member: (i) asserted in the Action; or (ii) could have asserted in the Action or any other action or in any forum, that arise out of, relate to, or are in connection with the claims, allegations,

transactions, facts, events, acts, disclosures, statements, representations or omissions or failures to act involved, set forth, or referred to in the complaints filed in the Action and that relate to the purchase of the publicly traded common stock or other equity securities, or call options or sale of put options either in the open market or pursuant or traceable to a registration statement, or the receipt of fully vested CAP Units and Restricted Stock Units, of Bear Stearns during the Class Period. Released Deloitte Claims do not include: (i) claims to enforce the Settlement; and (ii) claims against the Bear Stearns Defendants.

“Unknown Claims” means any and all Released Deloitte Claims that Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Deloitte Defendant Parties, and any Released Deloitte Defendant’s Claims that the Settling Defendant does not know or suspect to exist in its favor at the time of the release of the Released Plaintiff Parties, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to exclude himself, herself, or itself from the Settlement Class. With respect to any and all Released Deloitte Claims and Released Deloitte Defendant’s Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff and the Settling Defendant shall expressly, and each other Settlement Class Member shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiff, the other Settlement Class Members, or the Settling Defendant may hereafter discover facts, legal theories, or authorities in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Deloitte Claims and the Released Deloitte Defendant's Claims, but Lead Plaintiff and the Settling Defendant shall expressly, fully, finally, and forever settle and release, and each Settlement Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Deloitte Claims and Released Deloitte Defendant's Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Lead Plaintiff and the Settling Defendant acknowledge, and other Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Deloitte Claims and Released Deloitte Defendant's Claims was separately bargained for and was a material element of the Settlement.

"Released Deloitte Defendant Parties" means Deloitte & Touche LLP, Deloitte LLP (formerly known as Deloitte & Touche USA LLP), Deloitte Tax LLP, Deloitte Financial Advisory Services LLP, Deloitte Consulting LLP, Deloitte Services LP and Deloitte Touche Tohmatsu Limited ("DTTL", formerly known as Deloitte Touche Tohmatsu) and any and all DTTL associate and member firms, all their respective, past, present and future parent companies, subsidiaries, affiliates, divisions, related entities, joint ventures, subcontractors, agents, attorneys, insurers, subrogees, co-insurers, reinsurers and servants, all their respective past, present and future officers, directors, employees, members, partners, principals, shareholders and owners and all their respective heirs, executors, administrators, personal representatives, predecessors, successors, transferees and assigns. For the avoidance of doubt, Released Deloitte Defendant Parties does not include the Bear Stearns Defendants.

E. EXCLUDING YOURSELF FROM THE SETTLEMENTS

If you do not want a payment from these Settlements, but you want to keep any right you may have to sue or continue to sue the Bear Stearns Defendants, Deloitte, and the other released defendant parties, on your own, about the released claims (as explained above), then you must take steps to get out of the Settlement Class. This is called excluding yourself from—or “opting out” of—the Settlement Class. **You may not opt out of only one Settlement.** Bear Stearns and Deloitte may withdraw from and terminate their respective Settlements if putative Settlement Class Members who have in excess of a certain amount of Recognized Losses exclude themselves from the Settlement Class.

13. How do I get out of the proposed Settlements?
--

To exclude yourself from the Settlement Class, you must send a signed letter by mail stating that you request to be “excluded from the Settlement Class in *In re The Bear Stearns Companies, Inc. Sec., Deriv., and ERISA Litig.*, Securities Action, No. 08-2793, 08 MDL No. 1963 (S.D.N.Y.).” Your letter must state, by date, the date(s), price(s), and number(s) of shares of all your purchases, acquisitions, and sales of Bear Stearns equity securities or options (and/or stock units if you were a Bear Stearns employee) during the Class Period and the amount of your holdings of these securities (or units) at the close of business on December 13, 2006 and the close of business on March 17, 2008. In addition, you must include your name, address, telephone number and your signature. You must mail your exclusion request so that it is **received no later than _____, 2012**, to:

In re The Bear Stearns Companies, Inc. Securities Action

Claims Administrator

c/o _____

You cannot exclude yourself by telephone or by email. Your exclusion request must comply with these requirements in order to be valid. If you write to request to be excluded, you will not get any settlement payment from either Settlement, and you cannot object to the Settlements. However, you will not be legally bound by anything that happens in connection with the Settlements, and you may be able to sue (or continue to sue) the Bear Stearns Defendants, Deloitte, and the other released defendant parties in the future.

14. If I do not exclude myself, can I sue the Defendants and the other released defendant parties for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue the Defendants and the other released defendant parties for any and all released claims (as defined above in Question 12). If you have a pending lawsuit speak to your lawyer in that case **immediately**. **You must exclude yourself from *this* Settlement Class to continue your own lawsuit.** Remember, the exclusion deadline is _____, 2012.

15. If I exclude myself, can I get money from the proposed Settlements?

No. If you exclude yourself, do not send in a Proof of Claim to ask for any money. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against the Defendants and the other released defendant parties.

F. THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed the law firms of Berman DeValerio and Labaton Sucharow LLP to represent all Settlement Class Members. These lawyers are called Co-Lead Counsel. You will

not be separately charged for these lawyers. The Court will determine the amount of Co-Lead Counsel's fees and expenses, which will be paid from the Settlement Funds. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?
--

Co-Lead Counsel have not received any payment for their services in pursuing the claims against Defendants on behalf of the Settlement Class, nor have they been paid for their litigation expenses. At the Settlement Hearing, or at such other time as the Court may order, Co-Lead Counsel will ask the Court to award them, from the Settlement Funds, attorneys' fees of no more than 12% of each of the Settlement Funds, plus any interest on such amount at the same rate and for the same periods as earned by the Settlement Funds, and litigation expenses (such as the cost of experts) that have been incurred in pursuing the Action. The request for litigation expenses will not exceed \$_____, plus interest on the expenses at the same rate as may be earned by the Settlement Funds.

G. OBJECTING TO THE SETTLEMENTS

You can tell the Court that you do not agree with the Settlements or some part of them.

18. How do I tell the Court that I do not like either or both proposed Settlements?
--

If you are a Settlement Class Member you can object to either or both Settlements or any of their terms, the certification of the Settlement Class, the proposed Plan of Allocation and/or the application by Co-Lead Counsel for an award of fees and expenses. You may write to the Court setting out your objection. You may give reasons why you think the Court should not approve any part or all of the Settlements terms or arrangements. The Court will only consider your views if you file a proper written objection within the deadline and according to the following procedures. To object, you must send a signed letter stating that you object to either or both of the proposed settlements in "*In re The Bear Stearns Companies, Inc. Securities Action*, No. 08-2793, 08 MDL No. 1963 (S.D.N.Y.)." Be sure to include your name, address, telephone

number, and your signature, identify the date(s), price(s) and number(s) of shares of all purchases, acquisitions and sales of Bear Stearns equity securities, options, or stock units you made during the Class Period, and state the reasons why you object to the Settlement(s). **Unless otherwise ordered by the Court, any Settlement Class Member who does not object in the manner described herein will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement(s) and the application for attorneys' fees and expenses.**

Your objection must be filed with the Court and mailed or delivered to all the following so that it is **received on or before** _____, **2012:**

COURT:

Clerk of the Court
United States District Court for the Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, NY 10007

CO-LEAD COUNSEL:

Thomas A. Dubbs, Esq.
James W. Johnson, Esq.
LABATON SUCHAROW LLP
140 Broadway
New York, NY 10005

Patrick T. Egan, Esq.
BERMAN DEVALERIO
One Liberty Square
Boston, MA 02109

BEAR STEARNS COUNSEL:

Brad S. Karp, Esq.
Eric S. Goldstein, Esq.
PAUL, WEISS, RIFKIND, WHARTON
& GARRISON LLP
1285 Avenue of the Americas
New York, NY 10019

DELOITTE COUNSEL:

Thomas G. Rafferty, Esq.
Antony L. Ryan, Esq.
CRAVATH, SWAINE & MOORE LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019-7475

19. What is the difference between objecting and seeking exclusion?

Objecting is simply telling the Court that you do not like something about the proposed Settlements. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the Settlements no longer affect you.

H. THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlements. You may attend, and you may ask to speak, but you do not have to do so.

20. When and where will the Court decide whether to approve the proposed Settlements?

The Court will hold a Settlement Hearing at _____ .m. on _____, 2012, at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 18C, New York, NY 10007 at __: __ .m.

At this hearing, the Honorable Robert W. Sweet will consider whether the Settlements are fair, reasonable, and adequate. The Court also will consider the proposed Plan of Allocation for the Net Settlement Funds and the application of Co-Lead Counsel for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections filed in accordance with the instructions set out in Question 18 above. The Court also may listen to people who have properly indicated, within the deadline identified above, an intention to speak at the Settlement Hearing, but decisions regarding the conduct of the Settlement Hearing will be made by the Court. *See* Question 22 for more information about speaking at the Settlement Hearing. After the Settlement Hearing, the Court will decide whether to approve the Settlements, and, if the Settlements are approved, how much attorneys' fees and expenses should be awarded. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent. If you want to come to the hearing, you should check with Co-Lead Counsel before coming to be sure that the date and/or time has not changed.

21. Do I have to come to the Settlement Hearing?

No. Co-Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval. If you submit an objection, you do not have to come to Court to talk about it. As long as you filed and sent your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

22. May I speak at the Settlement Hearing?

If you object to either or both Settlements, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (*see* Question 18 above) a statement stating that it is your “Notice of Intention to Appear in *In re The Bear Stearns Companies, Inc.* Securities Action, No. 08-2793, 08 MDL No. 1963 (S.D.N.Y.).” Persons who intend to object to the Settlement(s), the Plan of Allocation, and/or Co-Lead Counsel’s Fee and Expense Application and desire to present evidence at the Settlement Hearing must also include in their written objections the identity of any witness they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing. You cannot speak at the Settlement Hearing if you excluded yourself from the Settlement Class or if you have not provided written notice of your objection and intention to speak at the Settlement Hearing in accordance with the procedures described in Questions 18 and 22.

I. IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing and you are a member of the Settlement Class, you will get no money from this Settlements and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Defendants and the other released defendant parties about the released claims, ever again. To share in the Net Settlement Funds you must submit a Proof of Claim (*see* Question 10). To start, continue or be a part of any *other* lawsuit against the Defendants and the other released defendant parties about the released claims in this case you *must* exclude yourself from this Settlement Class (*see* Question 13).

J. GETTING MORE INFORMATION

24. Are there more details about the proposed settlements?

This Notice summarizes the proposed Settlements. More details are in the Stipulations, dated as of June 5, 2012 and June ___, 2012. You may review the Stipulations filed with the Court or documents filed in the case during business hours at the Office of the Clerk of the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007.

You also can call the Claims Administrator toll free at ___-___-___; write to *In re The Bear Stearns Companies, Inc. Securities Action*, c/o ____, Claims Administrator, ____, ____, ____, ___; or visit the websites of the Claims Administrator or Co-Lead Counsel at www.bermandevalerio.com, and www.labaton.com, where you can find answers to common questions about the Settlements, download copies of the Stipulation or Proof of Claim, and locate other information to help you determine whether you are a Settlement Class Member and whether you are eligible for a payment.

Please Do Not Call The Court With Questions About The Settlements

**K. PLAN OF ALLOCATION OF NET SETTLEMENT FUNDS
AMONG CLASS MEMBERS**

25. How will my claim be calculated?

The purpose of the Plan of Allocation (the “Plan”) is to distribute settlement proceeds equitably to those Settlement Class Members who suffered economic losses resulting from the alleged misrepresentations and omissions by the Bear Stearns Defendants and Deloitte during the Class Period.

The Settlement Funds, which combined total \$294.9, minus all taxes, costs, fees and expenses (the Net Settlement Funds), will be distributed according to the Plan of Allocation described below to members of the Settlement Class who timely submit valid Proofs of Claim that show a Recognized Loss (“Authorized Claimants”), and who have an out-of-pocket net loss on all Class Period transactions in Bear Stearns equity securities, options, or stock units. Settlement Class Members who do not timely submit valid Proofs of Claim will not share in the Settlement proceeds, but will otherwise be bound by the terms of the Settlements. The Court may approve the Plan, or modify it without additional notice to the Settlement Class. Any orders modifying the Plan will be posted on the settlement website at: _____ and at **www.bermandevalerio.com** and **www.labaton.com**.⁸

The Claims Administrator will determine each Authorized Claimant’s *pro rata* share of the Net Settlement Funds based upon each Authorized Claimant’s “Recognized Loss,” as described below. The Plan of Allocation is not intended to estimate the amount a Settlement Class Member might have been able to recover after a trial, nor is it intended to estimate the amount

⁸ The Bear Stearns Defendants and Deloitte had no involvement in the proposed Plan of Allocation.

that will be paid to Authorized Claimants. The Plan of Allocation is the basis upon which the Net Settlement Funds will be proportionately divided among all the Authorized Claimants. The Court will be asked to approve the Claims Administrator's determinations before the Net Settlement Funds are distributed to Authorized Claimants. No distributions to Authorized Claimants who would receive less than \$10.00 will be made, given the administrative expenses of processing and mailing such checks.

The Defendants, their respective counsel, and all other released defendant parties will have no responsibility for or liability whatsoever for the investment of the Settlement Funds, the distributions of the Net Settlement Funds, the Plan of Allocation or the payment of any claim. Lead Plaintiff and Co-Lead Counsel likewise will have no liability for their reasonable efforts to execute, administer and distribute the Settlements.

The following Plan of Allocation reflects the allegations that the prices of Bear Stearns publicly traded equity securities, options, or stock units during the Class Period were inflated artificially by reason of allegedly false and misleading statements made by the Bear Stearns Defendants and Deloitte about the business, management, and operations of Bear Stearns. The Defendants deny any allegations of wrongdoing or liability. The artificial inflation allegedly began on December 14, 2006 when Bear Stearns issued a press release regarding its fourth quarter and fiscal year-end results for 2006, which allegedly reported false and misleading financial results.

Lead Plaintiff alleges that the artificial inflation was gradually eliminated after disclosures beginning on March 14, 2008 when, among other things, it was revealed that JPMorgan-Chase & Co. would provide short-term funding to Bear Stearns while Bear Stearns worked on alternative forms of financing. The Plan of Allocation described below was created with the assistance of a consulting damages expert who analyzed the movement of Bear Stearns's equity securities and

options after the alleged disclosures. It takes into account the portion of the stock drops attributable to the alleged fraud.

GENERAL PRINCIPLES OF THE PLAN OF ALLOCATION

Each Authorized Claimant will receive a *pro rata* share of the cash in the Net Settlement Funds based on his, her, or its Recognized Loss. To the extent there are sufficient funds in the Net Settlement Funds, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Recognized Loss, as defined herein. If, however, the amounts in the Net Settlement Funds are not sufficient to permit payment of the total of all Recognized Losses, then each Authorized Claimant will be paid the percentage of the Net Settlement Funds that each Authorized Claimant's recognized claim bears to the total of the claims of all Authorized Claimants ("*pro rata* share").

To calculate the Recognized Loss on Bear Stearns equity securities, options, or stock units purchased/acquired and sold during the Class Period, sales must be matched against purchases/acquisitions during the Class Period. To do so, the earliest sale will be matched first against those shares in the claimant's opening position on the first day of the Class Period, and then matched chronologically thereafter against each purchase/acquisition made during the Class Period ("FIFO Matching"). This means that sales of Bear Stearns equity securities, options, or stock units will be first matched with any pre-Class Period holdings and then matched with purchases/acquisitions during the Class Period in chronological order. Sales of pre-Class Period purchases shall have no Recognized Loss.

For purposes of determining whether a claimant had an out-of-pocket net loss or gain from his, her, or its overall transactions in Bear Stearns equity securities, options, or stock units during the Class Period, the Claims Administrator shall determine the difference between (i) the Total

Purchase Amount and (ii) the sum of the Sales Proceeds and the Holding Value. This difference will be deemed a claimant's out-of-pocket net loss (or gain as the case may be) on his, her, or its overall transactions in Bear Stearns securities during the Class Period. (See below for more details.)

A purchase/acquisition or sale of Bear Stearns equity securities will be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. All transaction amounts for purchases/acquisitions and sales of Bear Stearns equity securities or options shall exclude commissions, taxes, and fees.

With respect to shares of Bear Stearns common stock purchased or sold through the exercise of an option, the purchase/sale date is the date of the exercise of the option and the purchase/sale price of the share is the exercise price of the option.

Any person or entity that sold Bear Stearns equity securities "short" will have no Recognized Loss with respect to such purchases/acquisitions during the Class Period to cover said short sale.

In the event that there is an opening short position in Bear Stearns equity securities, the earliest Class Period purchases/acquisitions shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered. No Recognized Loss will be calculated on receipt of Bear Stearns equity securities, options, or stock units by gift, grant, or inheritance. Purchases/acquisitions of Bear Stearns equity securities, options, or stock units before December 14, 2006 will have a Recognized Loss of zero. This is because any purchases before the first day of the Class Period are not impacted by the alleged wrongdoing. Purchases/acquisitions of Bear Stearns equity securities, options, or stock units during the Class Period that are matched to sales prior to March 14, 2008 will have a Recognized Loss of zero.

This is because any losses prior to the first allegedly corrective disclosure cannot be caused by the alleged wrongdoing, but rather were caused by other forces.

Payment in this manner will be deemed conclusive against all Authorized Claimants. A Recognized Loss will be calculated as defined herein and cannot be less than zero.

Distributions to eligible Authorized Claimants will be made after all claims have been processed and after the Court has approved the Claims Administrator's determinations. After initial distributions of the Net Settlement Funds, if there are any balances remaining in the Net Settlement Funds after at least six (6) months from the date of the initial distributions of the Net Settlement Funds (whether by reason of tax refunds, uncashed checks or otherwise), Co-Lead Counsel shall, if feasible and economical, reallocate such balances among Authorized Claimants who have cashed their checks in an equitable and economic fashion. Any balances that still remain in the Net Settlement Funds, after payment of Notice and Administration Expenses, Taxes, and attorneys' fees and expenses, if any, shall be contributed to non-sectarian not-for-profit charitable organizations serving the public interest, designated by Lead Plaintiff and approved by the Court.

Each claimant is deemed to have submitted to the jurisdiction of the United States District Court for the Southern District of New York with respect to his/her/its Proof of Claim.

Publicly Traded Bear Stearns Common Stock

For Bear Stearns common stock purchased or acquired between December 14, 2006 and March 13, 2008 and:

- a) sold prior to March 14, 2008, the Recognized Loss is zero;
- b) sold on March 14, 2008, the Recognized Loss is the lesser of:
 - (1) \$23.42 per share; or
 - (2) the purchase price paid less the sales proceeds received per share;

- c) sold between March 17, 2008 and May 30, 2008,⁹ the Recognized Loss is the lesser of:
 - (1) \$46.59 per share; or
 - (2) the purchase price paid per share less the greater of (i) the sales proceeds received per share, or (ii) the average closing price per share applicable to the date of sales as found in Table A;¹⁰
- d) held after May 30, 2008, the Recognized Loss is the lesser of:
 - (1) \$46.59 per share; or
 - (2) the purchase price paid¹¹ per share less \$9.99, the average closing price per share for the 90 days following the end of the Class Period.

For Bear Stearns common stock purchased or acquired on March 14, 2008 and:

- a) sold on March 14, 2008, the Recognized Loss is zero.
- b) sold between March 17, 2008 and May 30, 2008, the Recognized Loss is the lesser of:
 - (1) \$23.17 per share; or
 - (2) the purchase price paid per share less the greater of (i) the sales proceeds received per share, or (ii) the average closing price per share applicable to the date of sales as found in Table A;
- c) held after May 30, 2008, the Recognized Loss is the lesser of:
 - (1) \$23.17 per share; or
 - (2) the purchase price paid per share less \$9.99, the average closing price per share for the 90 days following the end of the Class Period.

Bear Stearns CAP Units and Restricted Stock Units

For all persons who received Bear Stearns CAP Units and Restricted Stock Units (but did not exchange the units for common stock)¹² that had fully vested, entitling them to an equivalent number of shares of Bear Stearns common stock upon settlement at the end of a deferral period between December 14, 2006 and March 13, 2008 (the “Eligible Vested RSU/CAP Units”), and:

⁹ May 30, 2008 is the last day that Bear Stearns common stock traded on the NYSE.

¹⁰ Pursuant to Section 21(D)(e)(2) of the PSLRA, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, if the plaintiff sells or repurchases the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff’s damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security.”

¹¹ For RS Units and CAP Units that were converted to common stock, the “purchase price paid” is the closing price of Bear Stearns common stock on the date you were granted the units. Please refer to the award documents you received for each grant to determine the price of the units you received.

¹² Recognized Losses associated with Eligible Vested RSU/CAP Units that vested and were exchanged for Bear Stearns Common Stock are calculated pursuant to the “Publicly Traded Bear Stearns Common Stock” section of this Plan of Allocation.

- a) held the units after May 30, 2008, the Recognized Loss is the lesser of:
 - (1) \$46.59 per unit of Eligible Vested RSU/CAP Units; or
 - (2) the grant price per unit of Eligible Vested RSU/CAP Units less \$9.99.

For Eligible Vested RSU/CAP Units received on March 14, 2008 and:

- a) held after May 30, 2008, the Recognized Loss is the lesser of:
 - (1) \$23.17 per unit of Eligible Vested RSU/CAP Units; or
 - (2) the grant price per unit of Eligible Vested RSU/CAP Units less \$9.99.

Publicly Traded Call Options on Bear Stearns Common Stock

For Call Options purchased on Bear Stearns common stock between December 14, 2006 and March 13, 2008:

- a) No Recognized Loss will be recognized for any Call Options that were not owned as of the close of trading on March 13, 2008;
- b) For the Call Options sold on March 14, 2008, the Recognized Loss is the lesser of:
 - (1) \$10.34 per Call Option; or
 - (2) the purchase price paid less the sales proceeds received;¹³
- c) For the Call Options sold or held after March 14, 2008, the Recognized Loss is the lesser of:
 - (1) \$19.82 per Call Option; or
 - (2) the purchase price paid less the sales proceeds received.

For Call Options purchased on Bear Stearns common stock on March 14, 2008:

- a) For the Call Options sold on March 14, 2008, the Recognized Loss is zero.
- b) For the Call Options sold or held after March 14, 2008, the Recognized Loss is the lesser of:
 - (1) \$9.48 per Call Option; or
 - (2) the purchase price paid less the sales proceeds received;

Publicly Traded Put Options on Bear Stearns Common Stock

For Put Options sold on Bear Stearns common stock between December 14, 2006 and March 13, 2008:

- a) No Recognized Loss will be recognized for any Put Options that were not the obligation of the claimant as of the close of trading on March 13, 2008;
- b) For Put Options repurchased on March 14, 2008, the Recognized Loss is the lesser of:
 - (1) \$15.26 per Put Option; or
 - (2) the amount received for writing the Put Option less the repurchase price paid;¹⁴

¹³ For expired unexercised call options, the net exercise proceeds received are zero.

¹⁴ For expired unexercised put options, the Recognized Loss is zero.

- c) For Put Options repurchased or held after March 14, 2008, the Recognized Loss shall be the lesser of:
 - (1) \$32.57 per Put Option; or
 - (2) the amount received for writing the Put Option less the repurchase price paid.

For Put Options sold on Bear Stearns common stock on March 14, 2008:

- a) For Put Options repurchased on March 14, 2008, the Recognized Loss is zero.
- b) For Put Options repurchased or held after March 14, 2008, the Recognized Loss is the lesser of:
 - (1) \$17.31 per Put Option; or
 - (2) the amount received for writing the Put Option less the repurchase price paid.

Publicly Traded Bear Stearns Series E Preferred Stock

For Bear Stearns Series E Preferred Stock purchased between December 14, 2006 and March 13, 2008:

- a) sold prior to March 14, 2008, the Recognized Loss is zero;
- b) sold on March 14, 2008, the Recognized Loss is the lesser of:
 - (1) \$6.47 per share of Series E Preferred Stock; or
 - (2) the purchase price paid per share less the sales proceeds received per share;
- c) sold between March 15, 2008 and June 11, 2008, the Recognized Loss is the lesser of:
 - (1) \$6.47 per share of Series E Preferred Stock; or
 - (2) the purchase price paid per share less the greater of (i) the sales proceeds received per share, or (ii) the average closing price per share of Series E Preferred Stock applicable to the date of sales as found in Table B;
- d) held after June 11, 2008, the Recognized Loss is the lesser of:
 - (1) \$6.47 per share of Series E Preferred Stock; or
 - (2) the purchase price paid per share less \$40.37, the average closing price per share of Series E Preferred Stock in the 90 days following the end of the Class Period.

For Bear Stearns Series E Preferred Stock purchased on March 14, 2008, the Recognized Loss is zero.

Publicly Traded Bear Stearns Series F Preferred Stock

For Bear Stearns Series F Preferred Stock purchased between December 14, 2006 and March 13, 2008:

- a) sold prior to March 14, 2008, the Recognized Loss is zero;
- b) sold on March 14, 2008, the Recognized Loss is the lesser of:
 - (1) \$0.73 per share of Series F Preferred Stock; or
 - (2) the purchase price paid per share less the sales proceeds received per share;
- c) sold between March 15, 2008 and June 11, 2008, the Recognized Loss is the lesser of:

- (1) \$0.73 per share of Series F Preferred Stock; or
 - (2) the purchase price paid per share less the greater of (i) the sales proceeds received per share, or (ii) the average closing price per share of Series F Preferred Stock applicable to the date of sales as found in Table C;
- d) held after June 11, 2008, the Recognized Loss is the lesser of:
- (1) \$0.73 per share of Series F Preferred Stock; or
 - (2) the purchase price paid per share less \$38.64, the average closing price per share of Series F Preferred Stock in the 90 days following the end of the Class Period.

For Bear Stearns Series F Preferred Stock purchased on March 14, 2008, the Recognized Loss is Zero.

Publicly Traded Bear Stearns Series G Preferred Stock

For Bear Stearns Series G Preferred Stock purchased between December 14, 2006 and March 13, 2008:

- a) sold prior to March 14, 2008, the Recognized Loss is zero;
- b) sold on March 14, 2008, the Recognized Loss is the lesser of:
 - (1) \$5.09 per share of Series G Preferred Stock; or
 - (2) the purchase price paid per share less the sales proceeds received per share;
- c) sold between March 15, 2008 and June 11, 2008, the Recognized Loss is the lesser of:
 - (1) \$5.09 per share of Series G Preferred Stock; or
 - (2) the purchase price paid per share less the greater of (i) the sales proceeds received per share, or (ii) the average closing price per share of Series G Preferred Stock applicable to the date of sales as found in Table D;
- d) held after June 11, 2008, the Recognized Loss is the lesser of:
 - (1) \$5.09 per share of Series G Preferred Stock; or
 - (2) the purchase price paid per share less \$37.11, the average closing price per share of Series G Preferred Stock in the 90 days following the end of the Class Period.

For Bear Stearns Series G Preferred Stock purchased on March 14, 2008, the Recognized Loss is Zero.

Calculation of Overall Out-of-Pocket Gain/Loss

To the extent a Claimant had an overall out-of-pocket gain from his, her or its overall transactions in Bear Stearns equity securities (or Eligible Vested RSU/CAP Units) during the Class Period, the value of the Recognized Loss will be zero. To the extent that a Claimant suffered an overall out-of-pocket loss on his, her or its overall transactions in Bear Stearns equity securities (or Eligible Vested RSU/CAP Units) during the Class Period, but that out-of-pocket loss was less than the Recognized Loss calculated above, then the Recognized Loss shall be limited to the amount of the out-of-pocket loss.

For purposes of determining whether a Claimant had an out-of-pocket gain from his, her or its overall transactions in Bear Stearns equity securities (or Eligible Vested RSU/CAP Units) during the Class Period or suffered an out-of-pocket loss, the Claims Administrator will:

For Bear Stearns common stock: (i) total the amount paid for all common stock purchased during the Class Period by the Claimant (the “Total Common Stock Purchase Amount”); (ii) match any sales of common stock during the Class Period first against the Claimant’s opening position in the common stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses); (iii) total the amount received for sales of the remaining common stock sold during the Class Period (the “Common Stock Sales Proceeds”); (iv) ascribe a \$9.99 per Common Stock holding value for the number of shares of common stock purchased during the Class Period and still held at the end of the Class Period (“Common Stock Holding Value”). The difference between (i) the Total Common Stock Purchase Amount and the (ii) sum of the Common Stock Sales Proceeds and Common Stock Holding Value will be deemed a Claimant’s out-of-pocket gain or loss on his, her or its overall transactions in Bear Stearns common stock during the Class Period.

For Bear Stearns Eligible Vested RSU/CAP Units: (i) total the grant prices for all Eligible Vested RSU/CAP Units granted to the Claimant during the Class Period (the “Total RSU/CAP Grant Amount”); (ii) match any exchanges of Eligible Vested RSU/CAP Units for Bear Stearns Common Stock during the Class Period first against the Claimant’s opening position in the Eligible Vested RSU/CAP Units (the opening Eligible Vested RSU/CAP Units so exchanged will not be considered for purposes of calculating gains or losses); (iii) ascribe a \$9.99 per RSU/CAP Unit holding value for the number of Eligible Vested RSU/CAP Units granted during the Class Period and still held on May 30, 2008 (“RSU/CAP Holding Value”). The difference between (i) the Total RSU/CAP Grant Amount and (ii) the RSU/CAP Holding Value will be deemed a Claimant’s out-of-pocket gain or loss on his, her or its overall transactions in Bear Stearns Eligible Vested RSU/CAP Units during the Class Period.

For Bear Stearns call options: (i) total the amount paid for all call options purchased during the Class Period by the Claimant (the “Total Call Option Purchase Amount”); (ii) match any sales of call options during the Class Period first against the Claimant’s opening position in call options (the proceeds of those sales will not be considered for purposes of calculating gains or losses); (iii) total the amount received for sales of the remaining call options whenever sold (including after the Class Period) (the “Call Option Sales Proceeds”). The difference between (i) the Total Call Option Purchase Amount and the (ii) the Call Option Sales Proceeds will be deemed a Claimant’s out-of-pocket gain or loss on his, her or its overall transactions in Bear Stearns call options.

For Bear Stearns put options sold (written) during the Class Period: (i) total the amount received on the sale of all put options sold during the Class Period by the claimant (the “Total Put Option Sales Proceeds”); (ii) match any repurchases of put options whenever repurchased to cover the put options sold during the Class Period (“Total Put Option Cost”). The difference between the Total Put Option Cost and the Total Put Option Sales Proceeds will be deemed a Claimant’s out-of-pocket gain or loss on his, her or its overall transactions in Bear Stearns Put Options.

For Bear Stearns Series E Preferred Stock: (i) total the amount paid for all Series E Preferred Stock purchased during the Class Period by the Claimant (the “Total Series E Preferred Stock Purchase Amount”); (ii) match any sales of Series E Preferred Stock during the Class Period first against the Claimant’s opening position in the Series E Preferred Stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses); (iii) total the amount received for sales of the remaining Series E Preferred Stock sold during the Class Period (the “Series E Preferred Stock Sales Proceeds”); (iv) ascribe a \$40.37 per Series E Preferred Stock holding value for the number of shares of Series E Preferred Stock purchased during the Class Period and still held at the end of the Class Period (“Series E Preferred Stock Holding Value”). The difference between (i) the Total Series E Preferred Stock Purchase Amount and the (ii) sum of the Series E Preferred Stock Sales Proceeds and Series E Preferred Stock Holding Value will be deemed a Claimant’s out-of-pocket gain or loss on his, her or its overall transactions in Bear Stearns Series E Preferred Stock during the Class Period.

For Bear Stearns Series F Preferred Stock: (i) total the amount paid for all Series F Preferred Stock purchased during the Class Period by the Claimant (the “Total Series F Preferred Stock Purchase Amount”); (ii) match any sales of Series F Preferred Stock during the Class Period first against the Claimant’s opening position in the Series F Preferred Stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses); (iii) total the amount received for sales of the remaining Series F Preferred Stock sold during the Class Period (the “Series F Preferred Stock Sales Proceeds”); (iv) ascribe a \$38.64 per Series F Preferred Stock holding value for the number of shares of Series F Preferred Stock purchased during the Class Period and still held at the end of the Class Period (“Series F Preferred Stock Holding Value”). The difference between (i) the Total Series F Preferred Stock Purchase Amount and the (ii) sum of the Series F Preferred Stock Sales Proceeds and Series F Preferred Stock Holding Value will be deemed a Claimant’s out-of-pocket gain or loss on his, her or its overall transactions in Bear Stearns Series F Preferred Stock during the Class Period.

For Bear Stearns Series G Preferred Stock: (i) total the amount paid for all Series G Preferred Stock purchased during the Class Period by the Claimant (the “Total Series G Preferred Stock Purchase Amount”); (ii) match any sales of Series G Preferred Stock during the Class Period first against the Claimant’s opening position in the Series G Preferred Stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses); (iii) total the amount received for sales of the remaining Series G Preferred Stock sold during the Class Period (the “Series G Preferred Stock Sales Proceeds”); (iv) ascribe a \$37.11 per Series G Preferred Stock holding value for the number of shares of Series G Preferred Stock purchased during the Class Period and still held at the end of the Class Period (“Series G Preferred Stock Holding Value”). The difference between (i) the Total Series G Preferred Stock Purchase Amount and the (ii) sum of the Series G Preferred Stock Sales Proceeds and Series G Preferred Stock Holding Value will be deemed a Claimant’s out-of-pocket gain or loss on his, her or its overall transactions in Bear Stearns Series G Preferred Stock during the Class Period.

L. SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased Bear Stearns common stock (CUSIP:073902108); options; Series E Preferred Stock (CUSIP: 073902702); Series F Preferred Stock (CUSIP: 073902876); and Series G Preferred Stock (CUSIP: 073902868) during the period from December 14, 2006 to and through March 14, 2008, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) CALENDAR DAYS OF YOUR RECEIPT OF THIS NOTICE, you either: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased Bear Stearns equity securities or options during such time period or; (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within seven (7) calendar days of receipt of such copies mail the Notice and Proof of Claim form directly to the beneficial owners of those Bear Stearns equity securities or options.

If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you shall send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Funds of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

In re The Bear Stearns Companies, Inc. Securities Action

Claims Administrator

c/o _____

Phone: ____ - ____ - ____; Fax: ____ - ____ - ____

[e-mail]

www. _____

Dated: _____, 2012

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

[TABLES FOR POA WILL BE INSERTED IN MAILED NOTICE]

EXHIBIT A-2

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE THE BEAR STEARNS COMPANIES,
INC. SECURITIES, DERIVATIVE, AND
ERISA LITIGATION

This Document Relates To:

Securities Action, 08 Civ. 2793 (RWS)

Master File No.:
08 MDL No. 1963 (RWS)

PROOF OF CLAIM AND RELEASE

To recover from the net settlement funds as a member of the Settlement Class in the action entitled *In re The Bear Stearns Companies, Inc. Sec., Deriv., and ERISA Litig.*, Securities Action, 08 Civ. 2793 (RWS), Master File No. 08 MDL No. 1963 (RWS) (S.D.N.Y.) (the “Action”), you must complete and, on page ____ below, sign this Proof of Claim and Release form (“Proof of Claim”). If you fail to submit a timely, properly completed and addressed Proof of Claim, your claim may be rejected and you may be precluded from any recovery from the settlement funds created in connection with the two proposed Settlements of the Action. Submission of this Proof of Claim, however, does not assure that you will share in the settlement funds.

**YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM
POSTMARKED ON OR BEFORE _____, 2012, ADDRESSED AS FOLLOWS:**

In re The Bear Stearns Companies, Inc. Securities Action
Claims Administrator
c/o _____

If you are NOT a Settlement Class Member (as defined in the Notice of Pendency of Class Action and Proposed Settlements with the Bear Stearns Defendants and Deloitte and Motion for Attorneys' Fees and Expenses (the "Notice")) DO NOT submit a Proof of Claim.

If you are a Settlement Class Member and you have not timely requested exclusion, you will be bound by the terms of the judgments entered in the Action, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM.

DEFINITIONS

All capitalized terms not otherwise defined in this form shall have the same meaning as set forth in the Notice that accompanies this Proof of Claim, the Stipulation and Agreement of Settlement with the Bear Stearns Defendants (the "Bear Stearns Stipulation"), dated as of June 5, 2012, and the Stipulation and Agreement of Settlement with Deloitte & Touche LLP (the "Deloitte Stipulation"), dated as of June ___, 2012.

IDENTIFICATION OF CLAIMANT

If you purchased or otherwise acquired the publicly traded equities, options, or stock units, of The Bear Stearns Companies Inc. ("Bear Stearns") during the period from December 14, 2006 to and through March 14, 2008, inclusive (the "Class Period") and held the securities in your name, you are the beneficial purchaser as well as the record purchaser. If, however, you purchased or otherwise acquired Bear Stearns securities during the Class Period through a third party, such as a nominee or brokerage firm, you are the beneficial purchaser of these securities, but the third party is the record purchaser of these securities.

Use Part I of this form entitled "Claimant Identification" to identify each beneficial purchaser of Bear Stearns securities that form the basis of this claim. THIS CLAIM MUST BE SUBMITTED BY THE ACTUAL BENEFICIAL PURCHASER(S) OR AUTHORIZED OR

LEGAL REPRESENTATIVE(S) OF SUCH PURCHASER(S) OF THE BEAR STEARNS
SECURITIES UPON WHICH THIS CLAIM IS BASED.

All joint beneficial purchasers must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of Persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of one of the beneficial owner(s) may be used in verifying this claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of your claim.

If you need help completing this claim form, you may contact the Claims Administrator for assistance: () ____ - ____; www.____; or [e-mail].

IDENTIFICATION OF TRANSACTION(S)

Use Parts II through VIII of this form to supply all required details of your transaction(s) in Bear Stearns: common stock (CUSIP: 073902108); Capital Accumulation Plan (“CAP”) Units (if you were an employee); Restricted Stock Units (“RSUs”) (if you were an employee); options; Series E Preferred Stock (CUSIP: 073902702); Series F Preferred Stock (CUSIP: 073902876); and Series G Preferred Stock (CUSIP: 073902868). If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

On the schedules, provide all of the requested information with respect to: (i) **all** of your holdings of Bear Stearns securities as of the close of trading on December 13, 2006; (ii) **all** of your purchases, other acquisitions and sales of Bear Stearns securities which took place during the requested time periods; and (iii) proof of your holdings of Bear Stearns securities at the requested time periods -- whether such purchases, acquisitions, sales or transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

List each purchase, acquisition, sale and transaction during the relevant periods separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day and year of each such transaction you list.

Copies of broker confirmations or other documentation of your purchases, acquisitions, sales or transactions in Bear Stearns securities should be attached to your claim. **DO NOT SEND ORIGINALS.** Do not highlight the documents. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim. The Claim Administrator may also request additional information as requested to efficiently and reliably calculate your losses. If you need help, you may ask the Claims Administrator for assistance: () ____ - ____; www.____; or [e-mail]. Although the Claims Administrator does not have information about your transactions in Bear Stearns securities, someone may be able to help you with the process of locating your information.

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

In re The Bear Stearns Companies, Inc. Securities Action,

No. 08-Civ.-2793 (S.D.N.Y.)

PROOF OF CLAIM

Must be Postmarked No Later Than:

_____, 2012

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

Beneficial Owner's Name (First, Middle, Last)

Joint Beneficial Owner's Name (First, Middle, Last)

Street Address

City State Zip Code

Foreign Province Foreign Country

Social Security Number OR Taxpayer Identification Number

Check appropriate box:

☐ Individual or Sole Proprietor ☐ Pension Plan
☐ Corporation ☐ Partnership ☐ Trust
☐ IRA ☐ Other _____ (please specify)

Telephone Number (work) Telephone Number (home)

Email address Facsimile Number

PART II: SCHEDULE OF TRANSACTIONS IN COMMON STOCK

- A. Number of shares of common stock held at the close of trading on December 13, 2006: _____
- B. Purchases or other acquisitions (from December 14, 2006 through May 30, 2008, inclusive) of common stock:

	Trade Date (Month/Day/Year)	Number of Shares Purchased or Acquired	Total Purchase Price*	Transaction Type (Purchase/ Received)	Price per Share	Was Trade in Connection with a CAP Unit or RSU? (Yes/No)
1.	_____	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____	_____

* Excluding taxes, fees and commissions.

- C. Sales (from December 14, 2006 through May 30, 2008, inclusive) of common stock:

	Trade Date (Month/Day/Year)	Number of Shares Sold	Total Sales Price*	Transaction Type (Sold/ Delivered)	Price per Share	Was Trade in Connection with a CAP Unit or RSU? (Yes/No)
1.	_____	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____	_____

- D. Number of shares of common stock sold or held after the close of trading on May 30, 2008: _____

PART III: SCHEDULE OF TRANSACTIONS IN CALL OPTIONS

- A. At the close of trading on December 13, 2006, the following call options on Bear Stearns common stock were owned:

Date of Purchase (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2007/\$40)	Purchase Price Per Contract	Amount Paid*	Exercised "E" or Expired "X" (leave blank if neither)	Exercise Date (Month/Day/Year)

- B. Purchases or acquisitions (from December 14, 2006 through March 14, 2008, inclusive) of call options on Bear Stearns common stock:

Date of Purchase (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2007/\$40)	Purchase Price Per Contract	Amount Paid*	Exercised "E" or Expired "X" (leave blank if neither)	Exercise Date (Month/Day/Year)

* Excluding taxes, fees and commissions.

- C. Sales of the above call options on Bear Stearns common stock, which call options were purchased before March 17, 2008 (include all such sales no matter when they occurred):

Date of Sale (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2007/\$40)	Sale Price Per Contract	Amount Received*

PART IV: SCHEDULE OF TRANSACTIONS IN PUT OPTIONS

- A. At the close of trading on December 13, 2006 the following put options written on Bear Stearns common stock were open:

Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2007/\$40)	Sale Price Per Contract	Amount Received*	Assigned "A" or Expired "E" (leave blank if neither)	Assign Date (Month/Day/Year)

- B. Written (sold) put options on Bear Stearns common stock (from December 14, 2006 through March 14, 2008, inclusive) as follows:

Date of Writing (Sale) (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2007/\$40)	Sale Price Per Contract	Amount Received*	Assigned "A" or Expired "E" (leave blank if neither)	Assign Date (Month/Day/Year)

* Excluding taxes, fees and commissions.

- C. Repurchases of the above put options on Bear Stearns common stock that were written (sold) on or before March 17, 2008 (include all repurchases no matter when they occurred):

Date of Purchase (Month/Day/Year)	Number of Contracts	Expiration Month and Year / Strike Price of Options (i.e. July 2007/\$40)	Price Paid Per Contract	Aggregate Cost*

PART V: SCHEDULE OF TRANSACTIONS IN CAP UNITS AND RSUS

- A. Number of fully vested CAP/RS Units held at the close of trading on December 13, 2006: _____
- B. Grants of fully vested CAP/RS Units at the end of a deferral period from December 14, 2006 through May 30, 2008, inclusive:

	Grant Date (Month/Day/Year)	Number of Units Granted	Vesting Date (Month/Day/Year)	Restricted? (Yes/No)	Partially Delivered/ Cancelled Before Dec. 14, 2006? (Yes/No)	CAP or RS Unit? (C/R)
1.	_____	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____	_____

* Excluding taxes, fees and commissions.

- C. Sales (from December 14, 2006 through May 30, 2008, inclusive) of CAP/RS Units that were exchanged for Bear Stearns common stock should be reported in Part II above.
- D. Number of CAP/RS Units held after May 30, 2008: _____

PART VI: SCHEDULE OF TRANSACTIONS IN SERIES E PREFERRED STOCK

- A. Number of shares of Series E Preferred Stock held at the close of trading on December 13, 2006: _____

- B. Purchases or other acquisitions (from December 14, 2006 through June 11, 2008, inclusive) of Series E Preferred Stock:

	Trade Date (Month/Day/Year)	Number of Shares Purchased or Acquired	Total Purchase Price*	Transaction Type (Purchase/ Received)	Price per Share
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____

- C. Sales (from December 14, 2006 through June 11, 2008, inclusive) of Series E Preferred Stock:

	Trade Date (Month/Day/Year)	Number of Shares Sold	Total Sales Price*	Transaction Type (Sold/ Delivered)	Price per Share
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____

- D. Number of shares of Series E Preferred Stock sold or held after the close of trading on June 11, 2008: _____

PART VII: SCHEDULE OF TRANSACTIONS IN SERIES F PREFERRED STOCK

- A. Number of shares of Series F Preferred Stock held at the close of trading on December 13, 2006: _____

- B. Purchases or other acquisitions (from December 14, 2006 through June 11, 2008, inclusive) of Series F Preferred Stock:

* Excluding taxes, fees and commissions.

	Trade Date (Month/Day/Year)	Number of Shares Purchased or Acquired	Total Purchase Price*	Transaction Type (Purchase/ Received)	Price per Share
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____

* Excluding taxes, fees and commissions.

- C. Sales (from December 14, 2006 through June 11, 2008, inclusive) of Series F Preferred Stock:

	Trade Date (Month/Day/Year)	Number of Shares Sold	Total Sales Price*	Transaction Type (Sold/ Delivered)	Price per Share
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____

- D. Number of shares of Series F Preferred Stock sold or held after the close of trading on June 11, 2008: _____

PART VIII: SCHEDULE OF TRANSACTIONS IN SERIES G PREFERRED STOCK

- A. Number of shares of Series G Preferred Stock held at the close of trading on December 13, 2006: _____

- B. Purchases or other acquisitions (from December 14, 2006 through June 11, 2008, inclusive) of Series G Preferred Stock:

	Trade Date (Month/Day/Year)	Number of Shares Purchased or Acquired	Total Purchase Price*	Transaction Type (Purchase/ Received)	Price per Share
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____

- C. Sales (from December 14, 2006 through June 11, 2008, inclusive) of Series G Preferred Stock:

	Trade Date (Month/Day/Year)	Number of Shares Sold	Total Sales Price*	Transaction Type (Sold/ Delivered)	Price per Share
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____

* Excluding taxes, fees and commissions.

D. Number of shares of Series G Preferred Stock sold or held after the close of trading on June 11, 2008: _____

* Excluding taxes, fees and commissions.

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

YOU ARE NOT FINISHED YET. YOU MUST READ THE RELEASES AND SIGN ON PAGE _____. FAILURE TO SIGN THE RELEASES MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

PART IX: SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We) submit this Proof of Claim under the terms of the Bear Stearns Stipulation and Deloitte Stipulation, described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Southern District of New York with respect to my (our) claim as a Settlement Class Member and for purposes of enforcing the releases set forth herein. I (We) further acknowledge that I (we) will be bound by and subject to the terms of the Final Order and Judgment as to the Bear Stearns Defendants and the Final Order and Judgment as to Deloitte & Touche LLP that may be entered in the Action. I (We) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so. I (We) have not submitted any other claim covering the same purchases, acquisitions or sales or holdings of Bear Stearns securities during the relevant period and know of no other Person having done so on my (our) behalf.

PART X: RELEASES AND CERTIFICATION

1. With respect to the Bear Stearns Settlement, I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release and discharge

from the Released Claims each and all of the Released Defendant Parties as those terms and terms related thereto are defined in the accompanying Notice.

2. With respect to the Deloitte Settlement, I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release and discharge from the Released Deloitte Claims each and all of the Released Deloitte Defendant Parties as those terms and terms related thereto are defined in the accompanying Notice.

3. Each release shall be of no force or effect unless and until the Court approves the respective Stipulation and the Effective Date (as defined in the applicable Stipulation) has occurred.

4. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to these releases or any other part or portion thereof.

5. I (We) hereby warrant and represent that I (we) have included information about all of my (our) purchases, acquisitions, and sales and other transactions in the Bear Stearns securities requested above and that occurred during the relevant time periods and the number of securities held by me (us) at the relevant time periods.

6. I (We) hereby warrant and represent that I (we) am (are) not excluded from the Settlement Class as defined herein and in the Notice.

7. The number(s) shown on this form is (are) the correct SSN/TIN; and

8. I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(C) of the Internal Revenue Code because: (a) I am (we are) exempt from backup withholding; or (b) I (we) have not been notified by the Internal Revenue Service that I am (we are) subject to backup withholding as a result of a failure to report all

interest or dividends; or (c) the Internal Revenue Service has notified me (us) that I am (we are) no longer subject to backup withholding.

(NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, you must cross out Item 7 above.)

I (We) declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this _____ day of _____, in _____,
(Month / Year) (City)
_____.
(State / Country)

Signature of Claimant

Print Name of Claimant

Date

Signature of Joint Claimant, if any

Print Name of Joint Claimant

Date

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above releases and certification.
2. Remember to attach only copies of supporting documentation.
3. Do not send original stock certificates or documentation. These items cannot be returned to you by the Claims Administrator.
4. Keep a copy of the completed Proof of Claim and documentation for your records.
5. The Claims Administrator will acknowledge receipt of your Proof of Claim by mail, within 60 days. **Your claim is not deemed filed until you receive an acknowledgement postcard.** If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator.
6. If you move, please send the Claims Administrator your new address.
7. If you have any questions or concerns regarding your Proof of Claim, please contact the Claims Administrator at the address on page ____ above or at ____ - ____ - _____, or visit www.____.

EXHIBIT A-3

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE THE BEAR STEARNS COMPANIES,
INC. SECURITIES, DERIVATIVE, AND
ERISA LITIGATION

This Document Relates To:

Securities Action, 08 Civ. 2793 (RWS)

Master File No.:
08 MDL No. 1963 (RWS)

**SUMMARY NOTICE OF PENDENCY
OF CLASS ACTION AND PROPOSED
SETTLEMENTS WITH THE BEAR
STEARNS DEFENDANTS AND
DELOITTE AND MOTION FOR
ATTORNEYS' FEES AND EXPENSES**

**TO: ALL PERSONS OR ENTITIES WHO, DURING THE PERIOD FROM
DECEMBER 14, 2006 TO AND THROUGH MARCH 14, 2008, INCLUSIVE
(THE "CLASS PERIOD"): (1) PURCHASED OR OTHERWISE ACQUIRED
THE PUBLICLY TRADED COMMON STOCK OR OTHER EQUITY
SECURITIES, OR CALL OPTIONS OF OR GUARANTEED BY THE BEAR
STEARNS COMPANIES INC. ("BEAR STEARNS" OR THE "COMPANY"),
OR SOLD BEAR STEARNS PUT OPTIONS, EITHER IN THE OPEN MARKET
OR PURSUANT OR TRACEABLE TO A REGISTRATION STATEMENT, AND
WERE DAMAGED THEREBY; OR (2) RECEIVED BEAR STEARNS
CAPITAL ACCUMULATION PLAN ("CAP") UNITS AND RESTRICTED
STOCK UNITS ("RSU") THAT HAD FULLY VESTED, ENTITLING THEM TO
AN EQUIVALENT NUMBER OF SHARES OF BEAR STEARNS COMMON
STOCK UPON SETTLEMENT AT THE END OF A DEFERRAL PERIOD, AS
PART OF THEIR COMPENSATION AS AN EMPLOYEE WITH BEAR
STEARNS AND PARTICIPATION IN ITS CAP AND RESTRICTED STOCK
UNIT PLAN, AND WERE DAMAGED THEREBY ("SETTLEMENT CLASS").**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an order of the Court, that the Settlement Class in the above-captioned litigation ("Action") has been preliminarily certified for the purposes of settlement only and that two settlements have been reached that will resolve the Action. The State of Michigan Retirement Systems ("Lead Plaintiff") has reached a proposed settlement with Bear Stearns, James E. Cayne, Alan D. Schwartz, Warren J. Spector, Alan C. Greenberg, Samuel L. Molinaro Jr.,

Michael Alix, and Jeffrey M. Farber (collectively, the “Bear Stearns Defendants”), in the amount of \$275,000,000 in cash, and a proposed settlement with Deloitte & Touche LLP (“Deloitte”), in the amount of \$19,900,000 in cash.

A hearing will be held before the Honorable Robert W. Sweet of the United States District Court for the Southern District of New York in the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 18C, New York, NY 10007-1312 at __: __ __.m., on _____, 2012 to, among other things: determine whether the proposed Settlements should be approved by the Court as fair, reasonable, and adequate; determine whether, thereafter, this Action should be dismissed with prejudice as to the Bear Stearns Defendants, as set forth in the Stipulation and Agreement of Settlement with the Bear Stearns Defendants, dated as of June 5, 2012, and as to Deloitte, as set forth in the Stipulation and Agreement of Settlement with Deloitte, dated as of June __, 2012; determine whether the proposed Plan of Allocation for distribution of the settlement proceeds should be approved as fair and reasonable; and consider the application of Co-Lead Counsel for an award of attorneys’ fees and reimbursement of litigation expenses. The Court may change the date of the hearing without providing another notice.

IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS, YOUR RIGHTS WILL BE AFFECTED BY THE PROPOSED SETTLEMENTS AND YOU MAY BE ENTITLED TO SHARE IN THE NET SETTLEMENT FUNDS. If you have not yet received the full printed Notice of Pendency of Class Action and Proposed Settlements with the Bear Stearns Defendants and Deloitte and Motion for Attorneys’ Fees and Expenses (the “Notice”) and a Proof of Claim and Release Form (“Proof of Claim”), you may obtain copies of these documents by contacting the Claims Administrator:

In re The Bear Stearns Companies, Inc. Securities Action
Claims Administrator
c/o _____

Phone: _____ - _____ - _____; Fax: _____ - _____ - _____
[e-mail]
www. _____

Inquiries, other than requests for information about the status of a claim, may also be made to Co-Lead Counsel.

LABATON SUCHAROW LLP
Thomas A. Dubbs, Esq.
James W. Johnson, Esq.
140 Broadway
New York, NY 10005
Tel: (888) 219-6877
www.labaton.com
settlementquestions@labaton.com

BERMAN DEVALERIO
Patrick T. Egan, Esq.
One Liberty Square
Boston, MA 02109
Tel: (800) 516-9926
www.bermandevalerio.com
info@bermandevalerio.com

If you are a Settlement Class Member, to be eligible to share in the distributions of the settlement proceeds, you must submit a Proof of Claim ***postmarked no later than*** _____, ***2012***.

To exclude yourself from the Settlement Class, you must submit a written request for exclusion in accordance with the instructions set forth in the Notice that it is ***received no later than*** _____, ***2012***. If you are a putative Settlement Class Member and do not exclude yourself from the Settlement Class, you will be bound by the judgments entered by the Court.

Any objections to the proposed Settlements, Plan of Allocation, and/or application for attorneys' fees and reimbursement of expenses must be filed with the Court and served on counsel for the settling parties in accordance with the instructions set forth in the Notice, such that they are received ***no later than*** _____, ***2012***.

If you are a Settlement Class Member and do not timely submit a valid Proof of Claim, you will not be eligible to share in the net settlement funds, but you nevertheless will be bound by the judgments entered by the Court.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. If you have any questions about the Settlements, you may contact Co-Lead Counsel at the addresses listed above.

DATED: _____

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

EXHIBIT B

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE THE BEAR STEARNS COMPANIES,
INC. SECURITIES, DERIVATIVE, AND
ERISA LITIGATION

This Document Relates To:

Securities Action, 08 Civ. 2793 (RWS)

Master File No.:
08 MDL No. 1963 (RWS)

**[PROPOSED] FINAL ORDER AND
JUDGMENT AS TO DELOITTE &
TOUCHE LLP**

WHEREAS:

A. As of June 11, 2012, The State of Michigan Retirement Systems (“Lead Plaintiff”), on behalf of itself and the Settlement Class, and Deloitte & Touche LLP (“Deloitte” or the “Settling Defendant”) entered into a Stipulation and Agreement of Settlement with Deloitte & Touche LLP (the “Stipulation”) in the above-titled litigation (the “Action”).

B. Pursuant to the Order Granting Preliminary Approval of Partial Class Action Settlement with Deloitte, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement, entered _____, 2012 (the “Preliminary Approval Order”), the Court scheduled a hearing for _____, 2012, at ____:____.m. (the “Settlement Hearing”) to, among other things: (i) determine whether the proposed partial 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.

C. The Court ordered that the Notice of Pendency of Class Action and Proposed Settlements with the Bear Stearns Defendants and Deloitte 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 Pendency of Class Action and Proposed Settlements with the Bear Stearns Defendants and Deloitte 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.

D. 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 Settling Parties such that they were received by _____, 2012.

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

F. On _____, 2012, Lead Plaintiff 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 _____, 2012, at which time all interested Persons were afforded the opportunity to be heard.

G. This Court has duly considered Lead Plaintiff’s motion, the affidavits, declarations and memoranda of law submitted in support thereof, the Stipulation, and all of the submissions and arguments presented with respect to the proposed Settlement.

NOW, THEREFORE, after due deliberation, IT IS ORDERED, ADJUDGED AND DECREED that:

1. This Judgment incorporates and makes a part hereof: (a) the Stipulation filed with the Court on _____; and (b) the Notice, which was filed with the Court on _____.

Capitalized terms not defined in this Judgment are as defined in the Stipulation.

2. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including all Settlement Class Members.

3. The Court hereby affirms its determinations in the Preliminary Approval Order and finally certifies, for the purposes of the Settlement only, pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Settlement Class of: all Persons who, during the period from December 14, 2006 to and through March 14, 2008, inclusive, (the “Class Period”) purchased or otherwise acquired the publicly traded common stock or other equity securities, or call options of or guaranteed by Bear Stearns, or sold Bear Stearns put options, either in the open market or pursuant or traceable to a registration statement, and were damaged thereby. The Settlement Class also includes all persons who received Bear Stearns Capital Accumulation Plan (“CAP”) Units and Restricted Stock Units that had fully vested, entitling them to an equivalent number of shares of Bear Stearns common stock upon settlement at the end of a deferral period during the Class Period, as part of their compensation as an employee with Bear Stearns and participation in its CAP and Restricted Stock Unit Plan. Excluded from the Settlement Class are: the Defendants; the officers and directors of Bear Stearns; the members of the immediate families of the Individual Defendants; any firm, trust, partnership, corporation, or entity in which any Defendant has a controlling interest; and the legal representatives, heirs, successors-in-interest or assigns of any such excluded Person. Also excluded from the Settlement Class are

those putative Settlement Class Members who properly excluded themselves by filing a valid and timely request for exclusion in accordance with the requirements set forth in the Notice, *see* Exhibit A annexed hereto.

4. 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 and finally certifies Lead Plaintiff The State of Michigan Retirement Systems as Class Representative for the Settlement Class; and finally appoints Labaton Sucharow LLP and Berman DeValerio as Class Counsel for the Settlement Class.

5. The notification provided for and given to the Settlement Class (i) was in compliance with the Preliminary Approval Order; (ii) constituted the best notice practicable under the circumstances; (iii) constituted notice that was reasonably calculated to apprise Settlement Class Members of the effect of the Settlement, of the proposed Plan of Allocation, of Co-Lead Counsel's request for an award of attorney's fees and reimbursement of litigation expenses incurred in connection with the prosecution of the Action, of Settlement Class Members' right to object to the Settlement, the Plan of Allocation, and/or Co-Lead Counsel's request for an award of attorney's fees and reimbursement of litigation expenses, and of their right to appear at the Settlement Hearing; (iv) constituted due, adequate, and sufficient notice to all Persons entitled to receive notice of the proposed Settlement; and (v) satisfied the notice requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), and all other applicable law and rules.

6. The Court has considered each of the objections to the Settlement submitted pursuant to Rule 23(e)(5) of the Federal Rules of Civil Procedure. The Court finds and concludes that each of the objections is without merit, and they are hereby overruled.

7. In light of the benefits to the Settlement Class, the complexity, expense and possible duration of further litigation against the Settling Defendant, the risks of establishing liability and damages, and the costs of continued litigation, the Court hereby fully and finally approves the Settlement as set forth in the Stipulation in all respects, and finds that the Settlement is, in all respects fair, reasonable and adequate, and in the best interests of Lead Plaintiff, the Settlement Class, and the Settlement Class Members. 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 Plaintiff, the Settlement Class and the Settling Defendant. The Settlement shall be consummated in accordance with the terms and provisions of the Stipulation.

8. The Consolidated Class Action Complaint for Violations of the Federal Securities Laws, filed February 27, 2009, is hereby dismissed in its entirety as to the Settling Defendant, with prejudice, and without costs to any Settling Party, except as otherwise provided in the Stipulation.

9. The Court further finds that during the course of the Action, the Settling 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, Lead Plaintiff and each and every other Settlement Class Member, on behalf of themselves and each of their respective agents, representatives, 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 Deloitte Claims as against each and every one of the Released Deloitte Defendant Parties and shall forever be BARRED, ENJOINED and RESTRAINED from commencing, instituting, prosecuting or maintaining any of the Released Deloitte Claims against any of the Released Deloitte Defendant Parties.

11. Upon the Effective Date, the Settling Defendant, on behalf of itself and its agents, representatives, 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 Deloitte Defendant's Claims as against each and every one of the Released Plaintiff Parties and shall forever be BARRED, ENJOINED and RESTRAINED from commencing, instituting, prosecuting or maintaining any of the Released Deloitte Defendant's Claims against any of the Released Plaintiff Parties.

12. Pursuant to the PSLRA, upon the Effective Date, the Settling Defendant is discharged from all claims for contribution that have been or may hereafter be brought by or on behalf of any Person, based upon, relating to, or arising out of the Action. Upon the Effective Date, any and all Persons are permanently BARRED, ENJOINED and RESTRAINED from commencing, prosecuting or asserting any and all claims for contribution based upon, relating to, or arising out of the Action, whether arising under state, federal or common law, as claims, cross-claims, counterclaims, or third-party claims, in this Action or as a separate action, in this Court, in any federal or state court, or in any other court, arbitration proceeding, administrative proceeding, or other forum (collectively, the "Barred Contribution Claims") against the Settling Defendant; and the Settling Defendant is permanently BARRED, ENJOINED and RESTRAINED from commencing, prosecuting or asserting any and all Barred Contribution

Claims against any Person, other than a Person whose liability to the Settlement Class has been extinguished pursuant to the Settlement and this Judgment.

13. Any final verdict or judgment obtained by or on behalf of Lead Plaintiff, the Settlement Class or any Settlement Class Member shall be reduced as provided by the PSLRA.

14. 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.

15. This Judgment and the Stipulation, whether or not consummated, and any discussions, negotiations, proceedings or agreements relating to the Stipulation, the Settlement, and any matters arising in connection with settlement discussions or negotiations, proceedings, or agreements, shall not be offered or received against or to the prejudice of the Settling Defendant, Lead Plaintiff, or Settlement Class Members for any purpose other than in an action to enforce the terms hereof, and in particular:

(a) do not constitute, and shall not be offered or received against or to the prejudice of the Settling Defendant as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by the Settling Defendant with respect to the truth of any allegation by Lead Plaintiff 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 Deloitte Claims, or of any liability, damages, negligence, fault or wrongdoing of the Settling Defendant or any person or entity whatsoever;

(b) do not constitute, and shall not be offered or received against or to the prejudice of the Settling Defendant 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 Settling Defendant, or against or to the prejudice of Lead Plaintiff or any other members of the Settlement Class as evidence of any infirmity in the claims of Lead Plaintiff 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 the Settling Defendant or against Lead Plaintiff or any other members of the Settlement Class, 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 Settling Parties, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Settlement;

(d) do not constitute, and shall not be construed against the Settling Defendant, Lead Plaintiff, or any other members of the Settlement Class, as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial;

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

16. 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.

17. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation, then this Judgment shall be rendered null and void to the extent

provided by and in accordance with the Stipulation and shall be vacated, and in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

18. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

19. The Settling Parties are hereby directed to consummate the Stipulation and to perform its terms.

20. A separate order shall be entered regarding Co-Lead Counsel's application for attorneys' fees and reimbursement 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.

21. 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 reimbursement of expenses in the Action; (v) all Settling Parties for the purpose of construing, enforcing and administering the Settlement and this Judgment; and (vi) other matters related or ancillary to the foregoing. 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.

Dated: _____, 2012

Honorable Robert W. Sweet
UNITED STATES DISTRICT JUDGE

EXHIBIT A