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COMMONWEALTH OF MASSACHUSETTS

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K.W.H.
S.A.S. LLP

SUFFOLK, ss.

SUPERIOR COURT

RICHARD GOLDSTEIN, PETER HALE
AND BARBARA J. SULLIVAN,

Plaintiffs,

v.

SAVINGS BANK LIFE INSURANCE
COMPANY OF MASSACHUSETTS,
AND THE MASSACHUSETTS
COMMISSIONER OF INSURANCE,

Defendants.

Civil Action No. 98-2330-BLS1
(Judge Hinkle)

**ORDER OF PRELIMINARY APPROVAL
OF SETTLEMENT, CLASS NOTICE AND SETTING FINAL FAIRNESS HEARING**

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Upon consideration and review of the Stipulated Settlement Agreement dated December 29, 2009 (the "Stipulation"), executed on behalf of the Plaintiffs and the Class, which has been certified by the Court, and on behalf of the Savings Bank Life Insurance Company of

Massachusetts ("SBLI"), and upon consideration of all prior proceedings in this case, the Court

hereby preliminarily approves the proposed Settlement in this action, and further ORDERS AND

DECREES as follows:

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1. The terms that are capitalized in this Order shall have the meanings ascribed to those terms in the Stipulation, unless otherwise defined herein;

2. The Court finds that the Settlement set forth in the Stipulation appears fair, reasonable and adequate to the Plaintiffs' Class. Subject to the hearing on final approval described in paragraph 4 hereof, the Settlement is preliminarily approved;

3. The Court appoints the law firm of Adkins, Kelston & Zavez, P.C., and its attorneys, as Lead Class Counsel;

4. Pursuant to Rule 23 of the Massachusetts Rules of Civil Procedure a final Fairness Hearing shall be held by this Court in Courtroom 1309, 3 Pemberton Square, Boston, Massachusetts at 2 p.m. on May 20, 2010 to consider the fairness, reasonableness and adequacy of the proposed Settlement and whether it should be approved by the Court;

5. The Court preliminarily approves the definition of Class, Main Class and Subclass as set forth in the Stipulation in Sections 2.12, 2.28 and 2.59 as follows:

Class Members. "Class Member" or the "Class" means members of the Main Class and Subclass who are as follows:

all persons who owned Saving Bank Life Insurance Company of Massachusetts ("SBLI") Policies that were in force on December 31, 2000, and/or December 31, 2001, and/or December 31, 2002, and were entitled to a dividend for at least one of those years (the "Main Class"), and

all persons who have owned Savings Bank Life Insurance system ("SBLI System") Policies at the time of the SBLI reorganization and who are entitled to a distribution of the then existing surplus as Special Dividends under G.L. c. 178A, § 5 (the "Subclass"). The Subclass is divided into three sub-subclasses:

Subclass 1: those pre-1992 Policyholders who remained Policyholders in 2005 and were paid a share of the \$3,675,330 Mitigation Payment;

Subclass 2: those pre-1992 Policyholders who died prior to the 13th and final special Policyholder dividend [interest] payment, whose beneficiaries were entitled under G.L. ch. 178A, § 5, in addition to the payment of the proceeds of the life insurance Policy, to "a postmortem dividend equal to the then present value of the unpaid additional annual dividends which would have been accrued to such Policyholder had he survived until the total surplus was so distributed, together with a pro rata payment, as of said Policyholder's date of death, of the amount of said payment of interest determined in accordance with this section;" and

Subclass 3: those Policyholders who had surrendered (i.e.

cashed out) their Policies, allowed them to lapse (i.e. failed to pay premiums), or whose Policies matured prior to 2005, including those who died after the 13th year [interest payment], but before 2005 (and therefore were not entitled to a post-mortem dividend), but who were Policyholders for some or all of the thirteen years in which special Policyholder dividends were paid.

The only annuities included in the Class are dividend paying annuities issued before January 1, 1992. Persons who have held level premium term Policies are not Class Members and are not entitled to receive any payment from the Settlement Fund for reasons set forth in the Stipulation in Section 1.1.12. Additionally, based on the Court's prior decisions, holders of credit life Policies, group life Policies owned by SBLI or its shareholders, Policies converted to or surrendered for extended term insurance that does not earn dividends, annuities that do not provide for the payment of dividends (including but not limited to all annuities issued on or after January 1, 1992), supplemental contracts without life contingencies, single premium-term Policies effective to age 22, and decreasing term Policies are not Class Members and are not entitled to receive any payment from the Settlement Fund.

Excluded from the Main Class and Subclass are SBLI and its legal representatives, shareholders, officers, successors-in-interest or assigns, and thus holders of credit life policies and group life Policies owned by SBLI or its shareholders;

6. The Court approves the proposed Long Form Notice (including the release language as set forth in Article 10 of the Stipulation), Short Form or Publication Notice and notice methodology described in the Stipulation;

7. The Court approves the Garden City Group as the Administrator of the Settlement as defined in the Stipulation;

8. The Court approves the establishment of the Escrow Account for the Settlement Fund, the transfer within 3 business days of this Order of \$15,000,000.00 by SBLI, and the terms

as set forth in the Stipulation in Sections 2.21 and 4.4. The Escrow Account shall remain in the jurisdiction of this Court until further Order of this Court;

9. The Court directs the Administrator to disseminate the Long Form Notice in accordance with Article 6 of the Stipulation to each Class Member by first-class mail, postage prepaid no later than 75 days before the Final Fairness Hearing;

10. The Court directs the Administrator to publish the Publication Notice as set forth in the Stipulation in accordance with Article 6 twice in two national newspapers (The New York Times and USA Today) and twice in the Boston Globe, Boston Herald and a newspaper in one of each of the following states: New Hampshire, Rhode Island and Florida, no later than 75 and 60 days respectively before the Final Fairness Hearing;

11. The Court determines that the Long Form Notice, the Publication Notice and the notice methodology, (i) is the best practicable notice reasonably calculated, under the circumstances, to apprise Class Members of the pendency of the Action and the Agreement and their interests and rights, including their right to object to the Settlement, (ii) is reasonable and constitutes due, adequate and sufficient notice to all persons entitled to receive notice, and (iii) meets or exceeds all applicable requirements of law, including Massachusetts Rule of Civil Procedure 23, the Rules of the Court and the requirements of federal and/or state constitutional due process and any other applicable law;

12. The Court requires the Administrator to file at or before the Final Fairness Hearing, or as the Court shall otherwise direct, proof of the mailing of the Class Notice, and the publication of the Publication Notice;

13. The Court authorizes Lead Class Counsel and the Administrator to communicate with Class Members, and other present and former Policyholders about the Settlement, and

prohibits SBLI, including its Producers and any other personnel, from communicating with Class Members, and other present and former Policyholders, about the Settlement until payment of the Settlement Fund is concluded, other than to state that the lawsuit was settled and to refer them to the Administrator which it must do;

14. The Court authorizes SBLI to engage in any other communications within the normal course of SBLI's business;

15. The Court preliminarily enjoins (i) all Class Members from, directly, representatively, or in any other capacity, filing, commencing, prosecuting, intervening in, participating in, continuing to prosecute or participate in, or receiving any benefits or other relief from, directly or indirectly (as a Class Member or otherwise) any other action, lawsuit, or proceeding, in any jurisdiction, based on or relating to any of the Class Claims as defined in the Stipulation; and (ii) all persons from filing, commencing or prosecuting a lawsuit or other proceeding in any jurisdiction on behalf of any or all Class Members based on or relating to any of the Class Claims;

16. The Court requires each Class Member who wishes to object to the fairness, reasonableness or adequacy of the Stipulation or the Settlement, or to the Award of Plaintiffs' Attorneys' Fees and Expenses or the Class Representative Awards, to deliver to Lead Class Counsel and SBLI's Counsel, and to file with the Court, no later than 25 days before the Final Fairness Hearing, or at such other time as the Court may direct, a statement of the objection that satisfies the requirements set forth in the Stipulation in Section 7.1 or be forever barred from separately objecting;

17. The Court requires any attorney hired by a Class Member at the Class Member's expense for the purpose of objecting to the Stipulation or the Settlement, or to the award of

Attorneys' Fees and Expenses or the Class Representative Award, to file with the Clerk of Court and deliver to Lead Class Counsel and SBLI's Counsel a notice of appearance no later than 25 days before the Final Fairness Hearing, or as the Court otherwise may direct, as set forth in the Stipulation in Section 7.3;

18. The Court authorizes SBLI to establish the means necessary to undertake the portion of Settlement relief it will prepare or perform, subject to the oversight of the Administrator and otherwise in accordance with the terms of the Stipulation;

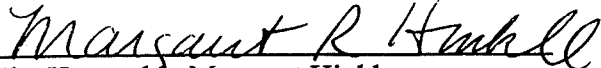
19. The Court directs Lead Class Counsel, SBLI and SBLI's Counsel promptly to furnish each other with notice of (and where requested, copies of) any and all objections that might come into their possession;

20. In the event that the Settlement terminates, or the Settlement does not become effective because any of the conditions set forth in the Stipulation are not satisfied, or for any other reason, then, in any such event, the Stipulation, including any Amendments thereof, and this Preliminary Approval of Settlement and Hearing Order shall be null and void, of no further force or effect and without prejudice to any Party, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and each Party shall be restored to his, her or its respective position as it existed before this Order including with regard to any statutes of limitations which shall be tolled while the Stipulation is in effect;

21. The Court hereby incorporates the Stipulation into this Order; and

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

Dated this 13 day of January, 2010 at Boston, Massachusetts.


The Honorable Margaret Hinkle
Superior Court Judge

note sent
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