

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

ALASKA ELECTRICAL PENSION FUND,  
et al.,

Plaintiffs,

v.

BANK OF AMERICA, N.A., et al.,

Defendants.

Lead Case No.: 14-cv-7126 (JMF)

**PLAN OF DISTRIBUTION AS TO THE PROPOSED  
NEW AND ADDITIONAL SETTLEMENT**

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## DEFINED TERMS

For purposes of the Plan of Distribution, the following terms are defined as follows:

**“Authorized Claimant”** means any Class Member who will be entitled to a distribution from the Net Settlement Fund pursuant to the Settlement Agreements and Plan of Distribution approved by the Court.

**“Claimant”** means a Person who submits a Claim Form.

**“Claim Deficiency Notice”** means the notice sent by the Claims Administrator to a Claimant whose Claim Form is deficient in one or more ways such as, for example, failure to provide required information or documentation.

**“Claim Form”** means the proof of claim and release form provided to or requested by member(s) of the Settlement Class.

**“Claims Administrator”** means Epiq Systems Inc.

**“Claims Bar Date”** means the deadline established by the Court by which Class Members must submit Claim Forms to the Claims Administrator.

**“Class Counsel”** means Robbins Geller Rudman & Dowd LLP, Scott+Scott Attorneys at Law LLP, and Quinn Emanuel Urquhart & Sullivan, LLP.

**“Class Member”** means a Person who is a member of the Settlement Class and who has not timely and validly excluded himself, herself, or itself in accordance with the procedures approved by the Court.

**“Class Plaintiffs”** are Alaska Electrical Pension Fund; Genesee County Employees’ Retirement System; County of Montgomery, Pennsylvania; County of Washington, Pennsylvania; City of New Britain, Connecticut; Pennsylvania Turnpike Commission; Erste Abwicklungsanstalt; and Portigon AG.

**“Court”** means the United States District Court for the Southern District of New York.

**“Defendants”** means Original Settling Defendants and Newly Settling Defendants, collectively, and each of their respective subsidiaries, affiliates, divisions, predecessors, and successors including, but not limited to, ABN AMRO, Bear Stearns Companies, Inc., Lehman Brothers Holdings Inc., Merrill Lynch & Co., Inc., Countrywide Financial, Fortis, LaSalle Bank Corporation, Smith Barney, Wachovia, and Washington Mutual, Inc., and each of their respective subsidiaries, affiliates, and divisions.

**“Economic Multiplier”** means a factor that reflects the economic sensitivity of a transaction to ISDAfix rates, market swap rates, and relevant market interest rates relative to other transactions in the same Pool or Sub-group in the Plan of Distribution.

**“Investment Vehicle”** means any investment company or pooled investment fund, including, but not limited to, mutual fund families, exchange-traded funds, fund of funds and hedge funds, in which a Defendant has or may have a direct or indirect interest, or as to which its affiliates may act as an investment advisor, but of which a Defendant or its respective affiliates is not a majority owner or does not hold a majority beneficial interest.

**“Litigation Multiplier”** means a factor that reflects the relative degree of risk that claims arising out of a transaction of that type may have faced at trial relative to other transactions in the same Pool or Sub-group in the Plan of Distribution.

**“ISDAfix Benchmark Rates”** means any and all tenors of USD ISDAfix, including any and all USD ISDAfix rates and USD ISDAfix spreads.

**“ISDAfix Instrument”** means (a) any and all interest rate derivatives, including, but not limited to, any and all swaps, swap spreads, swap futures, and swaptions, denominated in USD or related to USD interest rates, and (b) any financial instruments, products, or transactions related in any way to any ISDAfix Benchmark Rates, including but not limited to, any and all instruments, products, or transactions that reference ISDAfix Benchmark Rates and any and all

instruments, products, or transactions that are relevant to the determination or calculation of ISDAfix Benchmark Rates.

**“Net Settlement Fund”** means the Settlement Fund, less payment of attorneys’ and expenses in connection with prosecuting the Action, costs and expenses reasonably and actually incurred in connection with providing class notice and the administration of the settlement, taxes and tax expenses, and any other Court-approved fees and expenses.

**“Newly Settling Defendants”** means BNP Paribas (named in the Action as “B.N.P. Paribas SA”); ICAP Capital Markets LLC (now known as Intercapital Capital Markets LLC); Morgan Stanley & Co. LLC; Nomura Securities International, Inc.; and Wells Fargo Bank, N.A.

**“Original Settling Defendants”** means Bank of America N.A.; Barclays Bank PLC and Barclays Capital Inc.; Citigroup Inc.; Credit Suisse AG, New York Branch; Deutsche Bank AG; The Goldman Sachs Group, Inc.; HSBC Bank USA, N.A.; JPMorgan Chase & Co.; Royal Bank of Scotland PLC; and UBS AG.

**“Person”** means an individual or entity, and his, her, or its spouses, heirs, predecessors, successors, representatives, or assignees.

**“Pool” or “Pools”** mean the respective divisions in the Plan of Distribution across ISDAfix Instrument types.

**“Settlement Agreement”** means the Stipulation and Agreement of Settlement with the Newly Settling Defendants.

**“Settlement Class”** means all Persons or entities who entered into, received or made payments on, settled, terminated, transacted in, or held an ISDAfix Instrument during the Settlement Class Period. Excluded from the Settlement Class are Defendants and their employees, affiliates, parents, subsidiaries, and co-conspirators, should any exist, whether or not named in the Amended Complaint, and the United States Government, and all of the Released

Defendant Parties (as defined in the Settlement Agreement), provided, however, that Investment Vehicles shall not be excluded from the definition of the Settlement Class.

**“Settlement Class Period”** means between January 1, 2006 and January 31, 2014, inclusive.

**“Settlement Fund”** means the \$96,000,000 in payments made pursuant to the Settlement Agreement by the Newly Settling Defendants, and held in the escrow accounts established pursuant to the Settlement Agreement, including all monies held therein and interest earned thereon.

**“Transaction Claim Amount”** means the amount of an Authorized Claimant’s claim before any *pro rata* adjustments are applied, and is equal to the Transactional Notional Amount multiplied by the applicable Economic Multipliers and Litigation Multipliers, as described in §III, *infra*.

**“Transaction Notional Amount”** means the amount of money on which interest rate payments are based for a transaction.

Unless otherwise defined, all other capitalized terms have the same meaning as set forth in the Settlement Agreement.

## **I. THE NET SETTLEMENT FUND FOR DISTRIBUTION**

The Newly Settling Defendants have entered into a proposed Settlement Agreement with Plaintiffs that provide for total payments of \$96,000,000 into the Settlement Fund. If the Settlement Agreement is approved, the Net Settlement Fund will be distributed to all Authorized Claimants in accordance with the Plan of Distribution approved by the Court. No monies will revert to the Newly Settling Defendants if there is final approval of the Settlement Agreement by the Court.

## **II. ADMINISTRATIVE AND DISTRIBUTION PROCEDURES**

The proceeds of the Net Settlement Fund will be paid to Authorized Claimants who submit a valid Claim Form by the Claims Bar Date. This section describes the administrative procedures that will apply to determine eligibility and the effect of Class Members submitting (or not submitting) Claim Forms. This section then discusses the procedures for distributing funds to Authorized Claimants.

### **A. Administrative Procedures**

To be eligible to submit a Claim Form, a Claimant must be a member of the Settlement Class. For purposes of determining whether a Claimant is entitled to be treated as an Authorized Claimant, the following conditions apply:

1. Each Class Member wishing to receive proceeds from the Net Settlement Fund must submit a Claim Form, which, *inter alia*, releases all Released Claims against all Released Parties (as defined in the Settlement Agreement), is signed under penalty of perjury by an authorized Person, consents to the disclosure, waiver, and instruction paragraph contained in §IV-2 of the Claim Form, and is supported by such documents or proof as set out in the Claim Form.

2. Any Class Member who does not submit a Claim Form by the Claims Bar Date will not be entitled to receive any of the proceeds from the Net Settlement Fund, but will otherwise be bound by the terms of the Settlement Agreement, including the terms of the final judgments and orders of dismissal to be entered in the Action and the releases provided for therein, and will be enjoined from, and, upon final approval of the Settlement Agreement, barred from bringing any action against any of the Released Parties concerning the Released Claims. Lead Counsel shall have the discretion, but not the obligation, to accept late-submitted claims for

processing by the Claims Administrator, so long as the distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed.

3. Each Claim Form must be submitted to and reviewed by the Claims Administrator, who will determine: (a) whether the Claimant is an eligible Class Member; (b) whether the Claim Form is in accordance with the Settlement Agreement and any applicable orders of the Court; and (c) the extent, if any, to which each claim will be allowed, subject to review by the Court.

4. Claim Forms that do not meet the submission requirements may be rejected. Prior to rejection of a Claim Form, the Claims Administrator will provide the Claimant with a Claim Deficiency Notice. The Claim Deficiency Notice will, in a timely fashion and in writing, notify all Claimants whose Claim Forms the Claims Administrator proposes to reject, in whole or in part, and set out the reason(s) therefore, and the Claimant will have an opportunity to respond and/or cure within 35 days of the date when the Claim Deficiency Notice was issued.

5. If a dispute concerning a Claimant's claim cannot be resolved, Class Counsel will thereafter present such disputes to the Court in Class Plaintiffs' motion for a distribution order.

**B. Claimant's Submission of Data**

Claimants will be required to electronically submit data relating to their eligible transactions in ISDAfix Instruments using the template available on the Settlement Website (<https://www.IsdafixAntitrustSettlement.com>), as well as documentation of such transactions only to the extent required and/or requested (as described in §III of the Claim Form).

**C. Claims Procedures and Timing**

On receipt and processing of Claimants' data and records, the Claims Administrator will:



1. determine the appropriate Pool for each type of transaction, as described in §III, *infra*;
  2. determine if a Claim Deficiency Notice is required for any transaction;
- and
3. calculate the Claimant's Transaction Claim Amount, as described in §III, *infra*.

Following receipt of a Claimant's Claim Form, data, and any required or requested records, the Claims Administrator will issue a "Confirmation of Claim Receipt" to the Claimant via an automated email response after the Claim Form is submitted on the Settlement Website.

### **III. CALCULATION OF TRANSACTION CLAIM AMOUNTS**

The Plan of Distribution for eligible ISDAfix Instruments is divided into two pools, "Pool A" and "Pool B." Pool A comprises transactions directly linked to an ISDAfix Benchmark Rate. Pool B comprises transactions where the cash flows of the instrument were not directly linked to an ISDAfix Benchmark Rate. Pool B is further divided into sub-groups that reflect differences in instrument type and how the instrument relates to the conduct alleged in the Action.

The Plan of Distribution assigns all transactions of ISDAfix Instruments that are part of the Settlement Class into one – and only one – Pool or Pool sub-group. If a transaction in an ISDAfix Instrument is found to reasonably fit the definition of more than one Pool or sub-group, the transaction is assigned to the Pool or sub-group that is allocated the greatest portion of the Net Settlement Fund. Each transaction forms the basis for a claim only against the portion of the Net Settlement Fund allocated to the same Pool or sub-group to which the transaction is assigned. The relative allocation of the Net Settlement Fund among Pools and sub-groups is described in §IV, *infra*.

**A. Pool A – Instruments Directly Linked to an ISDAfix Benchmark Rate**

Pool A includes ISDAfix Instruments in which the cash flows of that instrument are directly linked to one or more ISDAfix Benchmark Rates. Pool A includes transactions in (a) cash-settled swaptions, and (b) ISDAfix Instruments with payments linked to ISDAfix during the Settlement Class Period. Transaction Claim Amounts in Pool A instruments are calculated as follows:

**1. Cash-settled Swaptions**

a. Cash-Settled Swaptions include the following:

i. Swaptions held by Claimant during the Settlement Class Period that were exercised and cash-settled; and

ii. Swaptions held by Claimant during the Settlement Class Period that were designated as cash-settled and were not exercised prior to expiration.

1. If the designation changed from cash-settled to physically-settled swaption over the life of the swaption, then the last reasonably ascertainable designation will be used to classify the method of settlement associated with the swaption. If the last reasonably ascertainable designation is a physically-settled swaption, the transaction will be assigned to Pool B.1. A swaption may be submitted as cash-settled or physically-settled, but not both, for distribution purposes.

b. From information submitted by Claimant, the Claimant's Transaction Notional Amount(s) is determined for each of the following 26 categories:

<b>Relevant ISDAfix Benchmark Rate</b>	<b>Counterparty is a Defendant Bank</b>	<b>Counterparty is not a Defendant</b>
1-year	[Category 1]	[Category 2]
2-year	[Category 3]	[Category 4]
3-year	[Category 5]	[Category 6]
4-year	[Category 7]	[Category 8]
5-year	[Category 9]	[Category 10]

6-year	[Category 11]	[Category 12]
7-year	[Category 13]	[Category 14]
8-year	[Category 15]	[Category 16]
9-year	[Category 17]	[Category 18]
10-year	[Category 19]	[Category 20]
15-year	[Category 21]	[Category 22]
20-year	[Category 23]	[Category 24]
30-year	[Category 25]	[Category 26]

c. For each category, the appended Table 1 is used to select the applicable Economic Multiplier, which reflects the average sensitivity of the cash-settlement value of a swaption to a given change in the ISDAfix Benchmark Rate.

d. The categorization of transactions by whether the counterparty is or is not a Defendant, as defined *supra*, is for the purpose of assigning the applicable Litigation Multiplier. For each category in which the counterparty is a Defendant, the Litigation Multiplier is 4.5. For each category in which the counterparty is not a Defendant, the Litigation Multiplier is 1.

e. Claimant's Transaction Notional Amount for each category is multiplied by the category's corresponding Economic Multiplier and Litigation Multiplier to obtain the Transaction Claim Amount.

$$\text{Transaction Claim Amount} = \text{Transaction Notional Amount} \times \text{Economic Multiplier} \times \text{Litigation Multiplier}$$

f. The Transaction Claim Amounts for all categories for which there is a claimed transaction are summed.

**2. Other ISDAfix-linked Transactions with Payments Linked to an ISDAfix Benchmark Rate During the Class Period**

a. From information submitted by Claimant, the Claimant's Transaction Notional Amount(s) is determined for all other ISDAfix-linked transactions with

payments linked to an ISDAfix Benchmark Rate, that were held during the Settlement Class Period, for each of the following 13 categories:

<b>Year</b>	<b>Counterparty is a Defendant</b>	<b>Counterparty is not a Defendant</b>
2006	[Category 1a]	[Category 1b]
2007	[Category 2a]	[Category 2b]
2008	[Category 3a]	[Category 3b]
2009	[Category 4a]	[Category 4b]
2010	[Category 5a]	[Category 5b]
2011	[Category 6a]	[Category 6b]
2012	[Category 7a]	[Category 7b]
2013	[Category 8a]	[Category 8b]
2014	[Category 9a]	[Category 9b]
2015	[Category 10a]	[Category 10b]
2016	[Category 11a]	[Category 11b]
2017	[Category 12a]	[Category 12b]
2018	[Category 13a]	[Category 13b]

b. The categorization of transactions by whether the counterparty is or is not a Defendant, as defined *supra*, is for the purpose of assigning the applicable Litigation Multiplier. For each category in which the counterparty is a Defendant, the Litigation Multiplier is 4.5. For each category in which the counterparty is not a Defendant, the Litigation Multiplier is 1.

c. The Transaction Notional Amount is accounted for in each year payment was linked to an ISDAfix rate in that year. *For example:* for a Claimant with a \$100 million notional 5-year constant maturity swap with resets to an ISDAfix Benchmark Rate in years 2006 through 2010, with Defendant Citigroup as a counterparty, \$100 million is added to the Transactional Notional Amounts of Categories 1a, 2a, 3a, 4a, and 5a.

d. Claimant's Transaction Notional Amount for each category is multiplied by the transaction's corresponding Litigation Multiplier to obtain the Transaction Claim Amount.

$$\text{Transaction Claim Amount} = \text{Transaction Notional Amount} \times \text{Litigation Multiplier}$$

e. The Transaction Claim Amounts for all categories for which there is a claimed transaction are summed.

### 3. Pool A Allocation

The Transaction Claim Amounts for (a) cash-settled swaptions and (b) other ISDAfix-linked transactions with payments linked to an ISDAfix Benchmark Rate during the Class Period are summed for distribution *pro rata* from the Net Settlement Fund allocated to Pool A, which is described in §IV, *infra*.

#### B. Pool B – Instruments Not Directly Linked to an ISDAfix Benchmark Rate

Pool B includes ISDAfix Instruments where the cash flows of that instrument were not directly linked to one or more ISDAfix Benchmark Rates.

##### 1. Pool B.1

##### a. Fixed-for-float swaps that referenced LIBOR

i. From information submitted by Claimant, the Claimant's Transaction Notional Amount(s) for all fixed-for-float swaps that referenced LIBOR, that were held during the Settlement Class Period, is determined for each of the following 60 categories:

Category	Swap Tenor	Counterparty is a Defendant?
1	At most 1 year	Yes
2	At most 1 year	No
3	More than 1, at most 2 years	Yes
4	More than 1, at most 2 years	No
5	More than 2, at most 3 years	Yes
6	More than 2, at most 3 years	No
7	More than 3, at most 4 years	Yes
8	More than 3, at most 4 years	No
9	More than 4, at most 5 years	Yes
10	More than 4, at most 5 years	No

<b>Category</b>	<b>Swap Tenor</b>	<b>Counterparty is a Defendant?</b>
11	More than 5, at most 6 years	Yes
12	More than 5, at most 6 years	No
13	More than 6, at most 7 years	Yes
14	More than 6, at most 7 years	No
15	More than 7, at most 8 years	Yes
16	More than 7, at most 8 years	No
17	More than 8, at most 9 years	Yes
18	More than 8, at most 9 years	No
19	More than 9, at most 10 years	Yes
20	More than 9, at most 10 years	No
21	More than 10, at most 11 years	Yes
22	More than 10, at most 11 years	No
23	More than 11, at most 12 years	Yes
24	More than 11, at most 12 years	No
25	More than 12, at most 13 years	Yes
26	More than 12, at most 13 years	No
27	More than 13, at most 14 years	Yes
28	More than 13, at most 14 years	No
29	More than 14, at most 15 years	Yes
30	More than 14, at most 15 years	No
31	More than 15, at most 16 years	Yes
32	More than 15, at most 16 years	No
33	More than 16, at most 17 years	Yes
34	More than 16, at most 17 years	No
35	More than 17, at most 18 years	Yes
36	More than 17, at most 18 years	No
37	More than 18, at most 19 years	Yes
38	More than 18, at most 19 years	No
39	More than 19, at most 20 years	Yes
40	More than 19, at most 20 years	No
41	More than 20, at most 21 years	Yes
42	More than 20, at most 21 years	No
43	More than 21, at most 22 years	Yes
44	More than 21, at most 22 years	No
45	More than 22, at most 23 years	Yes
46	More than 22, at most 23 years	No
47	More than 23, at most 24 years	Yes
48	More than 23, at most 24 years	No
49	More than 24, at most 25 years	Yes
50	More than 24, at most 25 years	No
51	More than 25, at most 26 years	Yes
52	More than 25, at most 26 years	No
53	More than 26, at most 27 years	Yes

Category	Swap Tenor	Counterparty is a Defendant?
54	More than 26, at most 27 years	No
55	More than 27, at most 28 years	Yes
56	More than 27, at most 28 years	No
57	More than 28, at most 29 years	Yes
58	More than 28, at most 29 years	No
59	More than 29 years	Yes
60	More than 29 years	No

ii. The tenor range is used to select the applicable Economic Multiplier from the appended Table 2.

iii. For each category in which the counterparty is a Defendant, as defined *supra*, the Litigation Multiplier is 4.5. For each category in which the counterparty is not a Defendant, the Litigation Multiplier is 1.

iv. The Transaction Notional Amount for each category is multiplied by its corresponding Economic Multiplier and by its corresponding Litigation Multiplier to obtain the Transaction Claim Amount.

$$\text{Transaction Claim Amount} = \text{Transaction Notional Amount} \times \text{Economic Multiplier} \times \text{Litigation Multiplier}$$

v. The Transaction Claim Amounts for all categories for which there is a claimed transaction are summed.

**b. Physically-settled swaptions**

i. From information submitted by Claimant, the Claimant's Transaction Notional Amount(s) is determined for all physically-settled swaptions that were held during the Settlement Class Period for each of the following 60 categories, where Swap Tenor refers to the tenor of the swap underlying the physically-settled swaption:

Category	Swap Tenor	Counterparty is a Defendant?
1	At most 1 year	Yes

<b>Category</b>	<b>Swap Tenor</b>	<b>Counterparty is a Defendant?</b>
2	At most 1 year	No
3	More than 1, at most 2 years	Yes
4	More than 1, at most 2 years	No
5	More than 2, at most 3 years	Yes
6	More than 2, at most 3 years	No
7	More than 3, at most 4 years	Yes
8	More than 3, at most 4 years	No
9	More than 4, at most 5 years	Yes
10	More than 4, at most 5 years	No
11	More than 5, at most 6 years	Yes
12	More than 5, at most 6 years	No
13	More than 6, at most 7 years	Yes
14	More than 6, at most 7 years	No
15	More than 7, at most 8 years	Yes
16	More than 7, at most 8 years	No
17	More than 8, at most 9 years	Yes
18	More than 8, at most 9 years	No
19	More than 9, at most 10 years	Yes
20	More than 9, at most 10 years	No
21	More than 10, at most 11 years	Yes
22	More than 10, at most 11 years	No
23	More than 11, at most 12 years	Yes
24	More than 11, at most 12 years	No
25	More than 12, at most 13 years	Yes
26	More than 12, at most 13 years	No
27	More than 13, at most 14 years	Yes
28	More than 13, at most 14 years	No
29	More than 14, at most 15 years	Yes
30	More than 14, at most 15 years	No
31	More than 15, at most 16 years	Yes
32	More than 15, at most 16 years	No
33	More than 16, at most 17 years	Yes
34	More than 16, at most 17 years	No
35	More than 17, at most 18 years	Yes
36	More than 17, at most 18 years	No
37	More than 18, at most 19 years	Yes
38	More than 18, at most 19 years	No
39	More than 19, at most 20 years	Yes
40	More than 19, at most 20 years	No
41	More than 20, at most 21 years	Yes
42	More than 20, at most 21 years	No
43	More than 21, at most 22 years	Yes
44	More than 21, at most 22 years	No



Category	Swap Tenor	Counterparty is a Defendant?
45	More than 22, at most 23 years	Yes
46	More than 22, at most 23 years	No
47	More than 23, at most 24 years	Yes
48	More than 23, at most 24 years	No
49	More than 24, at most 25 years	Yes
50	More than 24, at most 25 years	No
51	More than 25, at most 26 years	Yes
52	More than 25, at most 26 years	No
53	More than 26, at most 27 years	Yes
54	More than 26, at most 27 years	No
55	More than 27, at most 28 years	Yes
56	More than 27, at most 28 years	No
57	More than 28, at most 29 years	Yes
58	More than 28, at most 29 years	No
59	More than 29 years	Yes
60	More than 29 years	No

ii. The tenor range is used to select the applicable Economic Multiplier from the appended Table 2.

iii. For each category in which the counterparty is a Defendant, as defined *supra*, the Litigation Multiplier is 4.5. For each category in which the counterparty is not a Defendant, the Litigation Multiplier is 1.

iv. The Transaction Notional Amount for each category will be multiplied by its corresponding Economic Multiplier, its corresponding Litigation Multiplier, and a Swaption Adjustment Multiplier of 0.47 to obtain the Transaction Claim Amount. The Swaption Adjustment Multiplier accounts for swaptions' sensitivity to changes in market swap rates relative to swaps.

$$\text{Transaction Claim Amount} = \text{Transaction Notional Amount} \times \text{Economic Multiplier} \times \text{Litigation Multiplier} \times \text{Swaption Adjustment Multiplier}$$

v. The Transaction Claim Amounts for all categories for which there is a claimed transaction are summed.

**c. Pool B.1 allocation**

Claimant’s Transaction Claim Amounts for Fixed-for-float swaps the reference LIBOR and physically-settled swaptions are summed for distribution *pro rata* from the Net Settlement Fund allocated to Pool B.1, which is described in §IV, *infra*.

**2. Pool B.2**

**a. Treasury Bills, Treasury Notes, and Treasury Bonds**

i. From information provided by Claimant, the volume in terms of face value of all Treasury securities that were held during the Settlement Class Period is identified for all of the following 30 annual categories in which a claim is made.

<b>Category</b>	<b>Swap Tenor</b>
1	Time to maturity was at most 1 year
2	Time to maturity was greater than 1 year, but less than or equal to 2 years
3	Time to maturity was greater than 2 years, but less than or equal to 3 years
4	Time to maturity was greater than 3 years, but less than or equal to 4 years
5	Time to maturity was greater than 4 years, but less than or equal to 5 years
6	Time to maturity was greater than 5 years, but less than or equal to 6 years
7	Time to maturity was greater than 6 years, but less than or equal to 7 years
8	Time to maturity was greater than 7 years, but less than or equal to 8 years
9	Time to maturity was greater than 8 years, but less than or equal to 9 years
10	Time to maturity was greater than 9 years, but less than or equal to 10 years
11	Time to maturity was greater than 10 years, but less than or equal to 11 years
12	Time to maturity was greater than 11 years, but less than or equal to 12 years
13	Time to maturity was greater than 12 years, but less than or equal to 13 years
14	Time to maturity was greater than 13 years, but less than or equal to 14 years
15	Time to maturity was greater than 14 years, but less than or equal to 15 years
16	Time to maturity was greater than 15 years, but less than or equal to 16 years
17	Time to maturity was greater than 16 years, but less than or equal to 17 years
18	Time to maturity was greater than 17 years, but less than or equal to 18 years
19	Time to maturity was greater than 18 years, but less than or equal to 19 years

<b>Category</b>	<b>Swap Tenor</b>
20	Time to maturity was greater than 19 years, but less than or equal to 20 years
21	Time to maturity was greater than 20 years, but less than or equal to 21 years
22	Time to maturity was greater than 21 years, but less than or equal to 22 years
23	Time to maturity was greater than 22 years, but less than or equal to 23 years
24	Time to maturity was greater than 23 years, but less than or equal to 24 years
25	Time to maturity was greater than 24 years, but less than or equal to 25 years
26	Time to maturity was greater than 25 years, but less than or equal to 26 years
27	Time to maturity was greater than 26 years, but less than or equal to 27 years
28	Time to maturity was greater than 27 years, but less than or equal to 28 years
29	Time to maturity was greater than 28 years, but less than or equal to 29 years
30	Time to maturity was greater than 29 years, but less than or equal to 30 years

ii. The time to maturity is calculated as of the date on which the Treasury security was purchased.

iii. The applicable Economic Multiplier from appended Table 3 is selected for each category for which there is a claimed transaction.

iv. The face value of all Treasury securities claimed in each category is multiplied by the applicable Economic Multiplier to obtain the Transaction Claim Amounts.

$$\text{Transaction Claim Amount} = \text{Face Value of Security} \times \text{Economic Multiplier}$$

v. The Transaction Claim Amounts for all categories for which there is a claimed transaction are summed.

**b. Treasury futures**

i. From information provided by Claimant, the number of contracts, *not* face value equivalent, that were held during the Settlement Class Period is identified in each of the following six categories:

1. 2-year T-Note Futures
2. 3-year T-Note Futures
3. 5-Year T-Note Futures
4. 10-Year T-Note Futures
5. Classic T-Bond Futures
6. Ultra T-Bond Futures

<b>Contract</b>	<b>Face Value</b>	<b>Category</b>
2-year T-Note Futures	\$200,000	2
3-year T-Note Futures	\$200,000	3
5-year T-Note Futures	\$100,000	5
10-year T-Note Futures	\$100,000	10
Classic T-Bond Futures	\$100,000	25
Ultra T-Bond Futures	\$100,000	30

ii. For each contract, the applicable Economic Multiplier for the contract category is identified using appended Table 3.

iii. For each category, the number of contracts traded is multiplied by the Face Value of the contract (as given in the table above) and by the applicable Economic Multiplier to obtain the Transaction Claim Amounts.

$$\text{Transaction Claim Amount} = \text{Number of Contracts} \times \text{Face Value (from table)} \times \text{Economic Multiplier}$$

iv. The Transaction Claim Amounts for all categories for which there is a claimed transaction are summed.

**c. Options on Treasury futures**

i. From information provided by Claimant, the number of option contracts, *not* face value equivalents, held during the Settlement Class Period is identified

in each of the following six categories corresponding to the type of Treasury futures contract underlying the option:

1. 2-year T-Note Futures
2. 3-year T-Note Futures
3. 5-Year T-Note Futures
4. 10-Year T-Note Futures
5. Classic T-Bond Futures
6. Ultra T-Bond Futures

<b>Contract</b>	<b>Face Value</b>	<b>Category</b>
2-year T-Note Futures	\$200,000	2
3-year T-Note Futures	\$200,000	3
5-year T-Note Futures	\$100,000	5
10-year T-Note Futures	\$100,000	10
Classic T-Bond Futures	\$100,000	25
Ultra T-Bond Futures	\$100,000	30

ii. For each contract, the applicable Economic Multiplier for the contract category is identified using appended Table 3.

iii. For each category, the number of contracts traded is multiplied by the face value of the contract (as given in the table above), by the applicable Economic Multiplier, and by a “Treasury Option Adjustment Factor” of 0.22, to obtain the Transaction Claim Amount. The Treasury Option Adjustment Factor accounts for an option on Treasury futures’ sensitivity to changes in treasury yields relative to its underlying Treasury futures contract.

$$\text{Transaction Claim Amount} = \text{Number of Contracts} \times \text{Face Value (from table)} \times \text{Economic Multiplier} \times \text{Treasury Option Adjustment Factor}$$

iv. The Transaction Claim Amounts for all categories for which there is a claimed transaction are summed.

**d. Pool B.2 allocation**

Claimant's Transaction Claim Amounts of Treasury bills, Treasury notes, Treasury bonds, Treasury futures, and options on Treasury futures are summed for distribution *pro rata* from the Net Settlement Fund allocated to Pool B.2, which is described in §IV, *infra*.

**3. Pool B.3**

**a. Eurodollar futures**

From information provided by Claimant, the number of Eurodollar future contracts, *not* notional equivalents, that were held during the Settlement Class Period is identified. This is the Transaction Claim Amount.

**b. Options on Eurodollar futures**

i. From information provided by Claimant, the number of Eurodollar futures option contracts, *not* notional equivalents, that were held during the Settlement Class Period is identified.

ii. The number of Eurodollar futures options contracts is multiplied by a "Eurodollar Option Adjustment Factor" of 0.13 to obtain the Transaction Claim Amount. The Eurodollar Option Adjustment Factor accounts for an option on Eurodollar futures' sensitivity to changes in the underlying interest rate relative to Eurodollar futures.

$$\text{Transaction Claim Amount} = \text{Number of Eurodollar futures option contracts} \times \text{Eurodollar Option Adjustment Factor}$$

**c. Pool B.3 allocation**

Claimant's Transaction Claim Amounts for Eurodollar futures and options on Eurodollar futures are summed for distribution *pro rata* from the Net Settlement Fund allocated to Pool B.3, which is described in §IV, *infra*.

**4. Pool B.4**

From information provided by Claimant, the notional amount of contracts for all other interest rate derivatives not covered under Pool A or Pool B sub-groups B.1, B.2, or B.3 that were held during the Settlement Class Period is identified. This is the Transaction Claim Amount.

**a. Pool B.4 allocation**

The Transaction Claim Amount for all other interest rate derivatives is distributed *pro rata* from the Net Settlement Fund allocated to Pool B.3, which is described in §IV, *infra*.

**IV. CALCULATING *PRO RATA* ADJUSTMENTS FOR DISTRIBUTION**

After each Authorized Claimant's Transaction Claim Amounts are determined as described in §III, *supra*, and the Court approves the distribution order and all claim disputes are resolved, the Claims Administrator calculates each Authorized Claimant's share of the Net Settlement Fund as follows:

**A. Allocation of Net Settlement Fund Among Pools**

Each Pool and Pool sub-group's allocation of the Net Settlement Fund is as follows:

<u>Pool/Pool sub-group</u>	<u>Percentage of Net Settlement Fund Allocated Pool/Pool sub-group</u>
A	45%
B.1	40%
B.2	6%
B.3	6%
B.4	3%

**B. *Pro Rata* Share Calculation**

For each Pool and Pool sub-group, the Authorized Claimants' *pro rata* share of the respective Pool's allocation of the Net Settlement Fund, subject to Section C, *infra*, is as follows:

$$\text{Claimant's } \textit{pro rata} \text{ share of the Pool A or Pool B sub-group's allocation of the Net Settlement Fund} = \frac{\text{Claimant's Transaction Claim Amount in the Pool or Pool sub-group}}{\text{Total of All Claimants' Transaction Claim Amounts in the Pool or Pool sub-group}}$$

**C. Alternative Minimum Payment**

For each Pool and Pool sub-group, where it is reasonably determined that the cost of administering a claim would exceed the value of the claim under the Plan of Distribution, Class Counsel will direct the Claims Administrator to preserve the value of the Settlement Fund and make an alternative minimum payment to satisfy such claims. The alternative minimum payment will be a set amount for all such Authorized Claimants and will be based on the participation rate of the class in the settlement.

**D. Distribution**

Following the Effective Date and the Claims Administrator calculations of each Authorized Claimant's *pro rata* share of the Net Settlement Fund or alternative minimum payment amount, the Claims Administrator shall distribute the Net Settlement Fund to Authorized Claimants pursuant to the Plan of Distribution approved by the Court.

**E. Remaining Balance in the Net Settlement Fund**

If there is any balance remaining in the Net Settlement Fund after a reasonable period of time after the initial date of distribution of the Net Settlement Fund, the Claims Administrator shall, if feasible, allocate such balance among Authorized Claimants in an equitable and economic fashion. These redistributions shall be repeated until the remaining balance in the Net Settlement Fund is *de minimis*, and any such remaining balance shall be donated to an



appropriate 501(c)(3) non-profit organization selected by Lead Counsel and approved by the Court.