

**IN THE UNITED STATES DISTRICT COURT
 FOR THE DISTRICT OF MARYLAND**

IN RE MUTUAL FUNDS)	MDL-1586
INVESTMENT LITIGATION)	
Bank of America/Nations sub-track)	Case No. 04-md-15862
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)	

~~PROPOSED~~ FINAL ORDER AND JUDGMENT AS TO THE CANARY DEFENDANTS

WHEREAS, beginning in September 2003, various putative class and derivative actions concerning alleged market-timing and late-trading activities were filed (the “Actions”) on behalf of shareholders of the Nations Mutual Funds and on behalf of the funds themselves against various defendants, including Bank of America Corporation, Banc of America Capital Management, LLC (“BACAP”), Banc of America Securities, LLC (“BAS”) and Canary Capital Partners, LLC; Canary Capital Partners, Ltd.; Canary Investment Management, LLC; and Edward Stern (collectively, the “Canary Defendants”); and

WHEREAS, certain subsidiaries of Bank of America Corporation — BACAP, BACAP Distributors, LLC, and BAS (the “Bank of America Respondents”) — settled regulatory investigations into alleged market-timing and late-trading activities with the Securities and Exchange Commission (“SEC”) and the New York Attorney General’s Office (“NYAG”); and

WHEREAS, the NYAG also reached a settlement with certain of the Canary Defendants; and

WHEREAS, to settle the regulatory investigations, the Bank of America Respondents agreed to pay \$375 million into a Fair Fund (the “Bank of America Fair Fund”) to be set up pursuant to Section 308 of the Sarbanes-Oxley Act and which is available to compensate, among others, affected shareholders and/or mutual funds — including mutual funds

and/or the shareholders thereof that are unaffiliated with the Bank of America Respondents, such as Alliance, MFS, Janus, AIM, Invesco, RS and numerous others — pursuant to a distribution plan developed by an Independent Distribution Consultant (“IDC”) appointed pursuant to the SEC settlement order; and

WHEREAS, as of January 26, 2010, Lead Plaintiff Retirement Design and Management, Inc, Plaintiff Simcha Lyons, and Derivative Plaintiff Robert K. Finnell (collectively, the “Plaintiffs”), acting on behalf of themselves, the Canary Class and the present shareholders of the Nations Releasing Funds entered into the Master Agreement of Settlement with Canary Defendants and the Bank of America/Nations/Canary Severed Agreement and Stipulation of Settlement (the “Stipulation”) with the Canary Defendants; and

WHEREAS, pursuant to the Preliminary Approval Order, entered May 20, 2010 (the “Preliminary Approval Order”), the Court scheduled a hearing for October 21 and 22, 2010, at 10:00 a.m. (the “Final Settlement Hearing”) to: (a) determine whether the proposed settlement of the Actions as to the Canary Defendants, on the terms and conditions provided for in the Stipulation, is fair, reasonable and adequate, and should be approved by the Court; (b) determine whether the proposed class should be certified for settlement purposes only; and (c) determine whether a judgment as provided for in the Stipulation should be entered; and

WHEREAS, the Court ordered that the Abbreviated Notice of Pendency and Proposed Settlement of Class, Derivative and ERISA Actions, Motion for Attorneys’ Fees and Expenses and Settlement Hearing (the “Short Form Notice”), in substantially the form attached as Exhibit 1 to the Preliminary Approval Order, be mailed by first-class mail, postage prepaid to all putative class members who could be identified through reasonable effort, including by using the address of each such person as set forth in the records of Bank of America Respondents or

the Nations Funds Trust (n/k/a Columbia Funds Series Trust) or their transfer agents or using names and address data for such individuals gathered in connection with the distribution of the Bank of America Fair Fund; and

WHEREAS, the Court also ordered that the Notice of Pendency and Proposed Settlement of Class, Derivative and ERISA Actions, Motion for Attorneys' Fees and Expenses and Settlement Hearing ("Long Form Notice"), in substantially the form attached to the Preliminary Approval Order as Exhibit 2, be posted on the website(s) established concerning this Settlement, and that a Summary Notice of Proposed Settlements in the *In re Mutual Funds Investment Litigation* and Settlement Fairness Hearing (the "Summary Notice"), in substantially the form attached to the Preliminary Approval Order as Exhibit 3, be published in a variety of publications and transmitted over the wires and otherwise; and

WHEREAS, the Short Form Notice, the Long Form Notice and the Summary Notice (together, the "Notices") advised class members and present shareholders of the date, time, place and purpose of the Final Settlement Hearing; and

WHEREAS, the Notices further advised that any objections to the Settlement were required to be filed with the Court and served on counsel for the parties by September 21, 2010; and

WHEREAS, the provisions of the Preliminary Approval Order as to notice were complied with; and

WHEREAS, on September 14, 2010, Plaintiffs moved for final approval of the Settlement, as set forth in the Preliminary Approval Order; and

WHEREAS, the Final Settlement Hearing was duly held before this Court, at which time all interested persons were afforded the opportunity to be heard; and

WHEREAS, this Court has duly considered Plaintiffs' motion, the affidavits, declarations and memorandum of law submitted in support thereof, and all of the submissions and arguments presented with respect to the proposed Settlement;

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

1. This Judgment incorporates by reference the definitions in the Stipulation, and all capitalized terms used herein shall have the same meanings as set forth in the Stipulation.
2. This Court has jurisdiction over the subject matter of the Actions and over all parties to the Actions, including all members of the Canary Class (defined below) and present shareholders of the Nations Releasing Funds.
3. Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Court hereby finally certifies, for settlement purposes only, this consolidated case as a class action (the "Securities Action") and the "Canary Class" consisting of: all persons who purchased and/or held shares in any of the Nations Releasing Funds during the period from September 8, 1998 through September 9, 2003 (the "Class Period"). Excluded from the Canary Class are the Canary Defendants and those persons or entities that timely and validly sought exclusion from the Canary Class, as listed on Exhibit A hereto.
4. The Court finds, for the purposes of the Settlement only, that the prerequisites for a class action under Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the members of the Canary Class are so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Canary Class; (c) the claims of Lead Plaintiff, Retirement Design and Management, Inc., are typical of the claims of the Canary Class that it seeks to represent; (d) Retirement Design and Management,

Inc. will fairly and adequately represent the interests of the Canary Class; (e) the questions of law and fact common to the members of the Canary Class predominate over any questions affecting only individual members of the Canary Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Retirement Design and Management, Inc. is finally certified as Class Representatives and the law firm of Labaton Sucharow LLP is finally appointed Class Counsel.

5. The notification provided for and given to the Canary Class and present shareholders of the Nations Releasing Funds was in compliance with the Preliminary Approval Order, and said notification constituted the best notice practicable under the circumstances and is in full compliance with the notice requirements of due process, Federal Rules of Civil Procedure 23 and 23.1 and Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7).

6. Pursuant to Rules 23 and 23.1 of the Federal Rules of Civil Procedure, the Court finds that the proposed Settlement of the Actions on the terms and conditions set forth in the Stipulation is in all respects fair, reasonable and adequate, in light of the benefits to the Plaintiffs, the Canary Class and the present shareholders of the Nations Releasing Funds, the complexity, expense and possible duration of further litigation against the Canary Defendants, the risks of establishing liability and damages and the costs of continued litigation. This Court further finds the Settlement set forth in the Stipulation is the result of arm's-length negotiations between experienced counsel representing the interests of the Plaintiffs, the Canary Class, the present shareholders of the Nations Releasing Funds and the Canary Defendants.

7. The Stipulation and the proposed Settlement are hereby approved as fair, reasonable, adequate, and in the best interests of the Plaintiffs, the Canary Class and the present shareholders of the Nations Releasing Funds, and the Court directs the Parties to consummate the Settlement in accordance with the terms and provisions of the Stipulation.

8. The Court has considered each of the objections submitted in this Bank of America/Nations Funds Sub-track and rejects each.

9. With respect to the objection submitted by attorney Theodore Bechtold, the Court further finds that neither the objector nor Theodore Bechtold had standing to raise the objection and it is wholly without basis.

10. The Consolidated Amended Class Action Complaint and the Consolidated Amended Fund Derivative Complaint, which were filed in the Bank of America/Nations Funds Sub-track and are each dated September 29, 2004 (the "Complaints"), are hereby dismissed in their entirety as to all Canary Released Parties, with prejudice, and without costs to any party, except as otherwise provided in the Stipulation.

11. Upon the Effective Date, and by operation of this Judgment, all Released Claims brought by or on behalf of any and/or all of the Releasing Plaintiffs Parties and their respective heirs, executors, administrators, successors and assigns against the Canary Released Parties in any case or complaint transferred to or filed in MDL-1586, including, without limitation, the Actions, including specifically, without limitation, the Fourth, Fifth, Thirteenth and Fifteenth Claims for Relief asserted in the Class Complaint, as against any and all of the Canary Released Parties, are to be dismissed with prejudice.

12. Upon the Effective Date, and by operation of this Judgment, all Releasing Plaintiffs Parties, on behalf of themselves, their heirs, executors, administrators, successors and

assigns: (i) shall be conclusively deemed to have fully, finally and forever released, relinquished, and discharged all Released Claims against the Canary Released Parties; (ii) shall be conclusively deemed to have covenanted not to sue the Canary Released Parties in any action alleging any claim that is a Released Claim; (iii) shall be conclusively deemed to have covenanted not to knowingly and voluntarily assist in any way any third party in commencing or prosecuting any suit against the Canary Released Parties relating to any Released Claim, including any derivative suit; and (iv) shall forever be enjoined and barred from asserting the Released Claims against any Canary Released Party in any action or proceeding of any nature.

13. Upon the Effective Date, and by operation of this Judgment, each of the Canary Defendants, on behalf of themselves, their heirs, executors, administrators, successors and assigns, shall release each and every of the Released Parties' Claims, and shall forever be enjoined from prosecuting any or all of the Released Parties' Claims, against the Releasing Plaintiffs Parties and their respective counsel.

14. Upon the Effective Date, the Cross-Claim Releases attached hereto as Exhibit B shall become effective.

15. The Court finds, pursuant to the Private Securities Litigation Reform Act ("PSLRA"), 15 U.S.C. §78u-4(c), and otherwise, that during the course of the Securities Action, the parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

16. Upon the Effective Date, to the maximum extent allowed by applicable state or federal law (including the PSLRA), the Court bars and enjoins, and discharges the Canary Released Parties from, any and all claims for contribution, and indemnification or the like, however styled (including any claim where the injury to the person asserting the claim is such

person's threatened or actual liability to Plaintiffs, any Class Member or the Nations Funds Mutual Funds), by any person or entity, whether arising under state, federal, local, statutory or common law, or any other law, rule or regulation, based upon, arising out of, relating to, or in connection with the Released Claims (the "Bar Order"). This Bar Order will bar all such claims for contribution to the full extent provided by the PSLRA, and all such claims for indemnification or the like to the maximum extent allowed by applicable state or federal law (including the PSLRA): (a) by any person or entity against the Canary Released Parties; and (b) by the Canary Released Parties against any person or entity other than any person or entity whose liability to the Canary Class has been extinguished pursuant to the Stipulation and this Order and Final Judgment.

17. Any final verdict or judgment obtained by or on behalf of the Releasing Plaintiff Parties, if any, against any person or entity other than any person or entity whose liability to the Canary Class has been extinguished pursuant to the Stipulation and this Judgment, shall be reduced by an amount equal to the greater of: (i) an amount that corresponds to the percentage of responsibility of the Canary Released Parties, or (ii) the combined total of the Severed Settlement Sum and the Nations Restitution Sum.

18. Each Plaintiff and Canary Class Member, other than those listed in Exhibit A hereto, regardless of whether such Person: (i) received one of the Notices; (ii) received distributions from the Bank of America Fair Fund created pursuant to Bank of America Respondents' settlement with the SEC; (iii) is eligible for a distribution in connection with this Settlement; or (iv) filed an objection to the Settlement, is bound by this Judgment, including, without limitation, the release of claims as set forth in the Stipulation.

19. This Judgment and the Stipulation, and all papers related thereto are not, and shall not be construed to be, an admission by any of the Canary Released Parties of any liability or wrongdoing whatsoever, and shall not be offered as evidence of any such liability or wrongdoing in this or any other proceeding.

20. The administration of the Settlement, and the decision of all disputed questions of law and fact with respect to the validity of any right of any person to participate in the Settlement, shall remain under the authority of this Court.

21. No member of the Canary Class or present shareholder of the Nations Releasing Funds shall have any claim against any of the Parties or their counsel based on the investments, costs, expenses, administration, allocations, payments and distributions, if any, that are made substantially in accordance with the Stipulation and the Settlement contained therein, the plan for distributing the Net Settlement Sum and the Nations Restitution Sum approved by the Court, or further order of the Court.

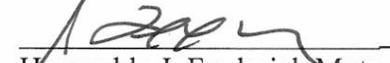
22. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated, and in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

23. 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.

24. Any Court order regarding the plan for distributing the Net Settlement Sum and the Nations Restitution Sum or any attorneys' fee and expense application shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment.

25. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (a) implementation of the Settlement; (b) hearing and determining applications for attorneys' fees, costs, interest and reimbursement of expenses in the Actions; and (c) all settling parties hereto for the purpose of construing, enforcing and administering the Settlement. Pursuant to Federal Rule of Civil Procedure 54(b), the Court finds that there is no just reason for delay in the entry of this Judgment, and immediate entry of this Final Order and Judgment by the Clerk of the Court is expressly directed.

Dated: October 26, 2010


Honorable J. Frederick Motz
UNITED STATES DISTRICT JUDGE