

**IN THE IOWA DISTRICT COURT FOR POLK COUNTY
IOWA BUSINESS SPECIALTY COURT**

KENDALL J. MEADE, individually and on
behalf of all others similarly situated,

Plaintiff,

v.

EMC INSURANCE GROUP INC., PETER S.
CHRISTIE, STEPHEN A. CRANE,
JONATHAN R. FLETCHER, BRUCE G.
KELLEY, GRETCHEN H. TEGELER, and
EMCC CASUALTY COMPANY,

Defendants.

Case No. LACL146098

CLASS ACTION

FINAL JUDGMENT AND ORDER OF DISMISSAL WITH PREJUDICE

This matter came before the Court for hearing pursuant to the Order Preliminarily Approving Settlement and Providing for Notice (“Preliminary Approval Order”) dated January 13, 2023, on the application of the Settling Parties for approval of the Settlement set forth in the Stipulation of Settlement dated January 9, 2023 (the “Stipulation”).

WHEREAS, this Order of Dismissal is “with prejudice”;

WHEREAS, due and adequate notice having been given to the Settlement Class as required in the Preliminary Approval Order;

WHEREAS, the Court conducted a hearing on May 8, 2023, to consider, among other things, (i) whether the terms and conditions of the Settlement are fair, reasonable, and adequate and should therefore be approved; and (ii) whether a judgment should be entered dismissing the Litigation with prejudice as against the Defendants;

WHEREAS, the Court having considered all papers filed and proceedings herein and otherwise being fully informed in the premises and good cause enters the following:

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that:

1. This Final Judgment and Order of Dismissal with Prejudice (“Order and Final Judgment” or “Judgment”) incorporates by reference the definitions in the Stipulation, and all terms used herein shall have the same meanings as set forth in the Stipulation, unless otherwise set forth herein.
2. This Court has jurisdiction over the subject matter of the Litigation and over all Settling Parties to the Litigation, including all Settlement Class Members.
3. This Court hereby affirms its determinations in the Preliminary Approval Order and finally certifies for purposes of settlement only: (i) a Settlement Class defined as all record holders and all beneficial holders of EMC Insurance Group, Inc. (“EMCI”) common stock who purchased, sold or held such stock at any time during the period from and including July 1, 2018, through and including September 19, 2019, including any Persons that claim by, through, or under them, such as any spouse; present or former family members; present, former, and future heirs, executors, administrators, representatives, agents, partners, successors, predecessors-in-interest, and assigns. Excluded from the Settlement Class are (i) Defendants; (ii) members of the immediate families of each Defendant; (iii) EMCI’s subsidiaries and affiliates; (iv) any entity in which any Defendant has a controlling interest; (v) the legal representatives, directors, heirs, successors, administrators, executors, and assigns of each Defendant; (vi) any Persons or entities who properly exclude themselves by filing a valid and timely request for exclusion; (vii) Gregory M. Shepard; and (viii) Quadre Investments, L.P.

4. Monteverde & Associates PC and Ademi LLP are certified as Class Counsel and Monteverde & Associates PC is certified as Lead Counsel.

5. Plaintiff is certified as the class representative.

6. For purposes of settlement only, the Court hereby affirms its determinations in the Preliminary Approval Order and finds that the prerequisites for a class action under Iowa Rules of Civil Procedure 1.261, 1.262, and 1.263 have been satisfied in that: (a) the number of Settlement Class Members is so numerous that joinder of all members is impracticable; (b) there are questions of law and fact common to the Settlement Class; (c) Plaintiff and Lead Counsel have and will fairly and adequately represent the interests of the Settlement Class; (d) the questions of law and fact common to the Settlement Class Members predominate over any questions affecting only individual Settlement Class Members; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

7. This Court hereby approves the Settlement set forth in the Stipulation and finds that said Settlement is, in all respects, fair, reasonable, and adequate to the Settlement Class.

8. The Court finds that the Settlement is fair, reasonable, and adequate as to each of the Settling Parties, and that the Settlement set forth in the Stipulation is hereby finally approved in all respects, and the Settling Parties are hereby directed to perform its terms. Accordingly, the Court authorizes and directs implementation of the terms and provisions of the Stipulation, as well as the terms and provisions hereof.

9. The Court hereby dismisses with prejudice and without costs, the Litigation and all claims contained therein and the Released Claims, including any and all

claims, rights and causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages and liabilities, whether known or unknown, contingent or non-contingent, derivative or direct, or suspected or unsuspected, including any claims arising under federal or state statutory or common law or any other law, rule or regulation, whether foreign or domestic, that have been asserted, could have been asserted, or could be asserted in the future by a member of the Settlement Class in his, her or its capacity as a purchaser, seller or holder of EMCI stock against EMCC, EMCI, or Kelley, and any and all of Defendants' related parties, including, without limitation, any and all of their current or former parents, subsidiaries, predecessors, successors, divisions, associated entities, assigns, investment funds, joint ventures and general or limited partnerships, and each their respective current or former officers, directors (including, but not limited to, Bruce G. Kelley, Peter S. Christie, Stephen A. Crane, Jonathan R. Fletcher, and Gretchen H. Tegeler), trustees, partners, members, contractors, auditors, principals, agents, managing agents, stockholders, employees, attorneys, accountants, investment bankers or advisors including those providing any fairness opinions, underwriters, brokers, dealers, lenders, commercial bankers, consultants, accountants, insurers, co-insurers, reinsurers in their capacities as such, as well as the Individual Defendant's past and current immediate family members, heirs, trusts, trustees, executors, personal or legal representatives, estates, administrators, beneficiaries, distributees, foundations, agents, attorneys, accountants, assigns (collectively, "Defendants' Released Persons"), that arise out of or relate in any way to: (i) the Action, including the claims in the Action and any acts, facts, events, disclosures, representations, statements, or omissions alleged or referenced therein; (ii) any duties, fiduciary or otherwise, of Defendants' Released Persons arising from or related to the Acquisition; (iii) the common stock of EMCI arising from or related to the Acquisition; (iv) any

other claims concerning the Acquisition; or (v) any actions or omissions of any of Defendants' Released Persons done in anticipation of the Acquisition.

10. Upon the Effective Date hereof, and as provided in the Stipulation, without further action by anyone, Plaintiff, on behalf of himself and all Settlement Class Members, in his, her or its capacity as a purchaser, seller or holder of EMCI stock, and anyone claiming through or on behalf of any of them, shall be deemed to have, and by operation of this Order and Final Judgment, shall have, fully, finally, and forever resolved, discharged, relinquished, released, waived, settled, and dismissed with prejudice any and all of the Released Claims (including, without limitation, Unknown Claims) against Defendants and each and all of Defendants' Released Persons, regardless of whether a Settlement Class Member executes and delivers a Proof of Claim and Release, except that claims relating to the enforcement of the Settlement shall not be released.

11. Upon the Effective Date hereof, and as provided in the Stipulation, without further action by anyone, Plaintiff, on behalf of himself and all Settlement Class Members, in his, her or its capacity as a purchaser, seller or holder of EMCI stock, and anyone claiming through or on behalf of any of them, shall be forever barred and enjoined from commencing, instituting, asserting, maintaining, enforcing, aiding, prosecuting, or continuing to prosecute any action or proceeding in any forum (including, but not limited to, any state or federal court of law or equity, any arbitral forum, any tribunal, administrative forum, or the court of any foreign jurisdiction, or any other forum of any kind), any and all of the Released Claims (including, without limitation, Unknown Claims), against Defendants and each and all of Defendants' Released Persons, regardless of whether such Settlement Class Member executes

and delivers a Proof of Claim and Release, except that claims relating to the enforcement of the Settlement shall not be released.

12. Upon the Effective Date hereof, and as provided in the Stipulation, without further action by anyone, Plaintiff, on behalf of himself and each and every Settlement Class Member, in his, her or its capacity as a purchaser, seller or holder of EMCI stock, and anyone claiming through or on behalf of any of them, shall covenant or be deemed to have covenanted not to sue any of Defendants and Defendants' Released Persons with respect to any and all Released Claims (including, without limitation, Unknown Claims).

13. The terms of the Stipulation and of this Order and Final Judgment shall be forever binding on Plaintiff, all other Settlement Class Members (regardless of whether or not any individual Settlement Class Member submits a Proof of Claim and Release or seeks or obtains a distribution from the Net Settlement Fund), as well as their respective, heirs, executors, administrators, predecessors, successors, and assigns.

14. The Escrow Agent shall maintain the Settlement Fund in accordance with the requirements set forth in the Stipulation. Neither Defendants nor Defendants' Released Persons shall have any responsibility for or liability whatsoever with respect to the funds held in the Escrow Account, including with respect to investment decisions, distribution of the Settlement Fund, or the actions of the Escrow Agent, or any transactions executed by the Escrow Agent.

15. The Notice of Pendency and Proposed Settlement of Class Action given to the Settlement Class (a) was implemented in accordance with the Preliminary Approval Order entered on January 13, 2023 (b) was the best notice practicable under the circumstances, to all Persons entitled to such notice, of those proceedings and of the matters set forth therein,

including the proposed Settlement set forth in the Stipulation, (c) was reasonably calculated to apprise the Settlement Class Members of (i) the pendency of the Litigation; (ii) the effect of the proposed Settlement (including the releases contained therein); (iii) their right to object to any aspect of the proposed Settlement; (iv) their right to be excluded from the Settlement Class by filing an election to be excluded; (v) their right to appear at the Final Approval Hearing personally or through counsel; and (vi) the fact that the judgment will bind all Settlement Class Members who are not excluded from the Action; (d) was reasonable and constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (e) fully satisfied the requirements of Iowa's Rules of Civil Procedure, and all other applicable law and rules.

16. Separate orders shall be entered regarding the proposed Plan of Allocation and Lead Counsel's motion for attorneys' fees and expenses as allowed by the Court. Any plan of allocation submitted by Lead Counsel or any order entered regarding any attorneys' fee and expense application shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment.

17. Neither this Order and Final Judgment, the Stipulation, the Supplemental Agreement, nor any of their terms or provisions, nor any of the negotiations, discussions, proceedings connected thereto, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any of the allegations in the Litigation or of the validity of any Released Claim, or of any wrongdoing or liability of any Defendants or Defendants' Released Persons; or (b) is, or shall be deemed to be, or shall be used as an admission of any fault or omission of any Defendants or Defendants' Released Person in any

statement, release, or written documents issued, filed, or made; or (c) is or may be deemed to be or may be used as an admission of, or evidence of, any fault, liability, wrongdoing, negligence, or omission of any Defendants or Defendants' Released Persons in any civil, criminal, or administrative proceeding in any court, arbitration proceeding, administrative agency, or forum or tribunal in which any Defendants or Defendants' Released Persons are or become parties; or (d) is or may be deemed to be or may be used as an admission or evidence that any claims asserted by Plaintiff were not valid or that the amount recoverable was not greater than the Settlement Amount, in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. Defendants, Defendants' Released Persons, Plaintiff, Class Members, and their respective counsel may file the Stipulation and/or this 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, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim. The Settling Parties may file the Stipulation and/or this Judgment in any proceedings that may be necessary to consummate or enforce the Stipulation, the Settlement, or the Judgment.

18. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing exclusive jurisdiction over: (a) implementation of this Settlement and any award or distribution of the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund; (c) hearing and determining applications for attorneys' fees and expenses and interest in the Litigation; and (d) all Settling Parties hereto for the purpose of construing, enforcing, and administering the Stipulation.

19. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation, or the Effective Date does not occur, or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendants as required under 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.

20. Without further approval from the Court, the parties are hereby authorized to agree and to adopt such amendments or modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlement that: (i) are not materially inconsistent with this Order and Final Judgment; and (ii) do not materially limit the rights of Settlement Class Members in connection with the Settlement. 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.

21. The Court directs immediate entry of this Judgment by the Clerk of the Court.



State of Iowa Courts

Case Number
LACL146098
Type:

Case Title
KENDALL J MEADE VS EMC INSURANCE GROUP ET AL
ORDER FOR JUDGMENT

So Ordered

A handwritten signature in black ink, appearing to read "L. P. McLellan", written over a horizontal line.

Lawrence P. McLellan, District Court Judge,
Fifth Judicial District of Iowa

Electronically signed on 2023-05-08 12:23:01