

**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

PRELIMINARY APPROVAL ORDER

WHEREAS, an action pending before this Court is styled *Meade v. EMC Insurance Group, Inc., et al.*, Case No. LACL146098 (the “Litigation”);

WHEREAS, the Plaintiff Kendall J. Meade (“Plaintiff”) has made a motion for an order preliminarily approving the Settlement of this Litigation, in accordance with a Stipulation of Settlement dated January 9, 2023 (the “Stipulation”), which, together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed Settlement of the Litigation between the Settling Parties and for dismissal with prejudice of the Litigation against Defendants and of the Released Claims against Defendants and Defendants’ Released Persons upon the terms and conditions set forth therein;

WHEREAS, the Court having read and considered the Stipulation and the Exhibits annexed thereto; and

WHEREAS, the Settling Parties to the Stipulation having consented to entry of this Order;

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. This Preliminary Approval Order 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. The Court has reviewed the Stipulation, finds that the Stipulation resulted from arm's length negotiations, and does hereby preliminarily approve the Stipulation and Settlement set forth therein as being fair, reasonable, and adequate to Settlement Class Members subject to further consideration at the hearing described below.

3. For purposes of this Settlement only, the Litigation is hereby preliminarily certified as a class action on behalf of 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. The Court finds, for the purposes of the Settlement only, that the prerequisites for a class action under Iowa Rules of Civil Procedure 1.261, 1.262, and 1.263 have been satisfied.

5. Pursuant to Rule 1.262 of the Iowa Rules of Civil Procedure, and for the purposes of the Settlement only, Plaintiff is preliminarily certified as the class representative, Monteverde & Associates PC and Ademi LLP are preliminarily certified as Co-Class Counsel, and Monteverde & Associates PC is preliminarily certified as Lead Counsel.

6. A hearing shall be held before this Court on **May 8, 2023, at 10:00 a.m.** **Central Time** (the “Settlement Hearing”). Settlement Class Members should check the Settlement Class website in advance of the Settlement Hearing to determine whether that hearing will occur in person at the Iowa District Court for Polk County. At the Settlement Hearing the Court will (a) determine whether the proposed Settlement is fair, reasonable, and adequate to the Settlement Class and should be approved by the Court; (b) determine whether an Order and Final Judgment should be entered; (c) determine whether the proposed Plan of Allocation should be approved; (d) determine the amount of attorneys’ fees and expenses that should be awarded to Lead Counsel; (e) hear any objections by Settlement Class Members to: (i) the Settlement or Plan of Allocation; (ii) certification of the Settlement Class, Plaintiff, and Lead Counsel; (iii) the award of attorneys’ fees and expenses to Lead Counsel, and/or (iv) any other aspect of the Settlement; and (f) consider such other matters the Court deems appropriate. The Court may adjourn the Settlement Hearing without further notice to the Settlement Class Members.

7. The Court reserves the right to approve the Settlement at or after the Settlement Hearing with such modification(s) as may be consented to by the Settling Parties to the Stipulation and without further notice to the Settlement Class.

8. The Court approves the form, substance, and requirements of the Notice of Pendency and Proposed Settlement of Class Action (“Notice”) and the Proof of Claim and Release (“Proof of Claim and Release”), substantially in the forms filed with the clerk of court on January 13, 2023 as **Exhibits A-1** and **A-2**, respectively.

9. The Court approves the form of the Summary Notice, substantially in the form filed with the clerk of court on January 13, 2023 as **Exhibit A-3**.

10. The firm of RG/2 Class Administration (the “Claims Administrator”) is hereby appointed to supervise and administer the notice procedure as well as the processing of claims as more fully set forth below.

11. The Claims Administrator shall make reasonable efforts to identify all Settlement Class Members, and not later than **February 3, 2023** (a date twenty-one (21) calendar days after the Court signs and enters this Order) (the “Notice Date”), the Claims Administrator shall cause a copy of the Notice and Proof of Claim and Release, substantially in the forms annexed hereto, to be mailed by First-Class Mail to all Settlement Class Members who can be identified with reasonable effort and to be posted on its website at www.rg2claims.com/EMC. Furthermore, Lead Counsel shall distribute via PRNewswire the Summary Notice.

12. Not later than **February 13, 2023** (a date ten (10) calendar days after the Notice Date), Monteverde & Associates PC shall cause the Summary Notice to be published in *PRNewswire*.

13. Lead Counsel shall file and serve all papers in support of the Settlement, Plan of Allocation, and application for the Fee and Expense Award no later than **April 3, 2023** (a date thirty-five (35) calendar days prior to the Settlement Hearing) and any reply papers shall be

filed and served no later than **May 1, 2023** (a date seven (7) calendar days prior to the Settlement Hearing).

14. Not later than **May 1, 2023** (a date seven (7) calendar days prior to the Settlement Hearing), Lead Counsel shall serve on Defendants' Counsel and file with the Court proof, by affidavit or declaration, of the mailing and publishing of the Notice.

15. Nominees who held, purchased or acquired EMCI common stock for the benefit of another Person during the Settlement Class Period shall be requested to send the Notice and Proof of Claim and Release to such beneficial owners of EMCI common stock within fifteen (15) calendar days after receipt thereof, or, send a list of the names and addresses of such beneficial owners to the Claims Administrator within fifteen (15) calendar days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice and Proof of Claim and Release to such beneficial owners.

16. The form and content of the notice program described herein and the methods set forth herein for notifying the Settlement Class of the Settlement and its terms and conditions, the Fee and Expense Application, and the Plan of Allocation: (a) meets the requirements of the Iowa Rules of Civil Procedure, and any other applicable law; (b) constitutes notice that is reasonably calculated, under the circumstances, 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 Settlement 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; and (c) constitutes due, adequate, and sufficient notice to all Persons entitled thereto.

The date and time of the Settlement Hearing shall be included in the Notice and Summary Notice before they are mailed and published, respectively. All Settlement Class Members (except Persons who request exclusion) shall be bound by all determinations and judgments in the Litigation concerning the Settlement, including, but not limited to, the releases provided for therein, whether favorable or unfavorable to the Settlement Class, regardless of whether such Persons seek or obtain by any means, including, without limitation, by submitting a Proof of Claim and Release or any similar document, any distribution from the Settlement Fund or the Net Settlement Fund.

17. The initial \$150,000 payment of the Settlement Amount shall be used for costs and expenses incurred in connection with Notice and Settlement Administration Costs, until entry of the Order and Final Judgment approving this settlement. In the event the Settlement be terminated or otherwise not rendered final pursuant to the terms of this Agreement, Plaintiff's Counsel shall, within ten (10) business days after notice such termination event, instruct the Escrow Agent to return to EMCC any remaining monies not previously spent for Notice and Settlement Administration Costs.

18. Pending final determination by the Court as to whether the Settlement, as set forth in the Stipulation, is fair, reasonable, and adequate and should be finally approved and whether the Order and Final Judgment dismissing the action with prejudice should be approved, neither Plaintiff nor any Settlement Class Member, either directly, representatively or in any other capacity, shall assert, commence, aid or prosecute against any of the Released Claims against any of the Defendants or Defendants' Released Persons in this Litigation or in any other proceeding, arbitration, or forum. This injunction is necessary to protect and effectuate the Settlement, this

Order, and the Court's flexibility and authority to effectuate the Settlement and to enter judgment when appropriate, and is ordered in aid of the Court's jurisdiction and to protect its judgments.

19. Settlement Class Members who do not opt out and who wish to receive distributions from the Settlement shall complete and submit the Proof of Claim and Release in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proofs of Claim and Releases must be postmarked or submitted electronically no later than **June 3, 2023** (a date one hundred and twenty (120) calendar days from the Notice Date). Any Settlement Class Member who fails to submit a Proof of Claim and Release within the time provided, or whose Proof of Claim and Release is otherwise not approved, shall in all other respects be bound by all of the terms of the Stipulation and the Settlement, including the terms of the Order and Final Judgment and the releases provided for therein, and will be barred from asserting any Released Claims against any of the Defendants or Defendants' Released Persons.

20. The Proof of Claim and Release submitted by each Settlement Class Member must, unless otherwise ordered by the Court: (i) be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding paragraph; (ii) 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 deemed adequate by the Claims Administrator; (iii) include in the Proof of Claim and Release a certification of current authority to act on behalf of the Settlement Class Member if the person executing the Proof of Claim and Release is acting in a representative capacity; (iv) be complete and contain no material deletions or modifications of any of the printed matter contained therein; and (v) be signed under penalty of perjury.

21. By submitting a Proof of Claim, a Settlement Class Member will be deemed to have submitted to the jurisdiction of this Court with respect to the Settlement Class Member's claim, including, but not limited to, all releases provided for in the Stipulation and in the Order and Final Judgment.

22. Any Settlement Class Member may enter an appearance in the Litigation, at his, her, or its own expense, individually or through counsel of their own choice. If they do not enter an appearance, they will be represented by Lead Counsel.

23. Any Person falling within the definition of the Settlement Class may, upon request, be excluded or "opt out" from the Settlement Class. Any such Person must submit to the Claims Administrator a request for exclusion ("Request for Exclusion"), by First-Class Mail such that it is received no later than **April 17, 2023** (a date twenty-one (21) calendar days before the Settlement Hearing). A Request for Exclusion must be signed and state: (a) the name, address, and telephone number of the Person requesting exclusion; (b) the number of shares of EMCI common stock held, purchased, acquired or sold during the Settlement Class Period and the dates held during the Settlement Class Period; and (c) that the Person wishes to be excluded from the Settlement Class. All Persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or any final judgment.

24. Lead Counsel shall cause to be provided to Defendants' Counsel copies of all Requests for Exclusion and a list of all Settlement Class Members who have requested exclusion to that date, and any written revocation of Requests for Exclusion, as expeditiously as

possible after receipt of each request for exclusion or revocation thereof, and in any event no later than **April 24, 2023** (a date fourteen (14) calendar days prior to the Settlement Hearing).

25. Any Settlement Class Member may appear and object if he, she, or it has any reason why the proposed Settlement of the Litigation should not be approved as fair, reasonable, and adequate, or why a judgment should not be entered thereon, why the Plan of Allocation should not be approved, why the requested attorneys' fees and expenses should not be awarded to Lead Counsel, or why any other aspect of the Settlement should not be approved; provided, however, that no Settlement Class Member or any other Person shall be heard or entitled to so object unless written objections and copies of any papers and briefs are received via mail and in electronic format by Monteverde & Associates PC, Juan E. Monteverde, The Empire State Building, 350 Fifth Avenue, Suite 4405, New York, New York 10118, Email: jmonteverde@monteverdelaw.com; Foley & Lardner LLP, 111 Huntington Ave Suite 2500, Boston, MA 02199, Email: bboland@foley.com; Faegre Drinker Biddle & Reath LLP, 2200 Wells Fargo Center 90 S. Seventh S., suite 2200 Minneapolis, MN 55402, Email: jeff.justman@faegredrinker.com; and Nyemaster Goode P.C., 700 Walnut St., Suite 1600, Des Moines, IA 50309-3899, Email: mwt@nyemaster.com, no later than **April 17, 2023** (a date twenty-one (21) calendar days before the Settlement Hearing) and said objections, papers and briefs are filed with the Clerk of the Iowa District Court for Polk County, no later than **April 17, 2023** (a date twenty-one (21) days before the Settlement Hearing). Any such objection must: (a) indicate the objector's name, address, and telephone number; (b) specify the reason(s) for the objection; (c) identify the date(s), price(s), and number(s) of shares of EMCI common stock held, purchased, acquired or sold during the Settlement Class Period by the objector; (d) provide documents demonstrating such holding(s), purchase(s), acquisition(s) and/or sale(s); and (e) be signed by the

objector. Any Member of the Settlement Class who does not make his, her, or its objection in the manner provided for herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the proposed Settlement as incorporated in the Stipulation, to the Plan of Allocation, to the award of attorneys' fees and expenses to Lead Counsel, and to any award to Plaintiff, unless otherwise ordered by the Court. Attendance at the Settlement 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 expenses are required to indicate in their written objection their intention to appear at the hearing. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval of the Settlement.

26. All funds held by the Escrow Agent 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 distributed pursuant to the Stipulation and/or further order(s) of the Court. 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.

27. The deposit of the Settlement Amount is the only payment to be made by or on behalf of Defendants in connection with this Settlement. All fees, costs, and expenses incurred by or on behalf of Plaintiff and the Settlement Class associated with the Settlement, including, but not limited to, Taxes, Tax Expenses, administrative costs and costs of providing notice of the Settlement to the Settlement Class Members, Settlement Class Member benefits, any award of attorneys' fees and expenses of Plaintiff's Counsel, and any award to Plaintiff made by

the Court for reasonable time and expenses, and any other costs, expenses or fees of any kind whatsoever associated with the resolution of this matter shall be paid from the Settlement Fund, and in no event shall Defendants or Defendants' Released Persons bear any responsibility for any such fees, costs or expenses.

28. The Plan of Allocation and any application for attorneys' fees and expenses or incentive award for Plaintiff submitted by Lead Counsel will be considered by the Court separately from the fairness, reasonableness, and adequacy of the Settlement.

29. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations, discussions, proceedings connected with it, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement may be construed as an admission, concession, or presumption by or against any of the Defendants or Defendants' Released Persons of the truth of any of the allegations in the Litigation, or of any liability, fault, or wrongdoing of any kind; or as a waiver by any of the Parties of any arguments, defenses, or claims he, she, or it may have in the event the Stipulation is terminated; or offered or received in evidence, or otherwise used by any person in the Litigation, or in any other action or proceeding, whether civil, criminal, or administrative, in any court, administrative agency, or other tribunal, except in connection with any proceeding to enforce the terms of the Stipulation. The Defendants, Defendants' Released Persons, Plaintiff, Settlement Class Members, and each of their counsel may file the Stipulation and/or the Order and Final 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.

30. All proceedings in the Litigation are stayed until further order of this Court, except as may be necessary to implement the Settlement or comply with the terms of the Stipulation. Pending final determination of whether the Settlement should be approved, neither Plaintiff nor any Settlement Class Member, either directly, representatively, or in any other capacity shall commence or prosecute any of the Released Claims against any of the Defendants or Defendants' Released Persons in any action or proceeding in any court or tribunal.

31. The Court reserves the right to alter the time or the date of the Settlement Hearing without further notice to the Settlement Class Members, provided that the time or the date of the Settlement Hearing shall not be set at a time or date earlier than the time and date set forth above, and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to the Settlement Class.

32. 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 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. The certification of the Settlement Class for settlement purposes, or any briefing or materials submitted seeking certification of the Settlement Class, will not be considered in connection with any subsequent class certification decision.

33. Accordingly, the following are the deadlines by which certain events must occur:

ACTION	DATE
Payment to Escrow Account under paragraph [33] of the Settlement Agreement	Date: January 28, 2023
	(15 days after Preliminary Approval Order entered and transmittal information received)
Notice Date	Date: February 3, 2023
	(21 days after Preliminary Approval Order entered)
Summary Notice via <i>PRNewswire</i>	Date: February 13, 2023
	(31 days after Preliminary Approval Order entered)
Class Counsel's Settlement papers and Fee/Incentive Award Motion Due	Date: April 3, 2023
	(35 days before Settlement Hearing)
Opt-Out and Notice of Objection Deadline	Date: April 17, 2023
	(21 days before Settlement Hearing)
Plaintiff's Counsel to Provide Defendants' Counsel Copies of Requests for Exclusion and Revocation of Requests for Exclusion	Date: April 24, 2023
	(14 days before Settlement Hearing)
Filing of Proof of Distribution of Notice, Proof of Claim and Release, and Summary Notice	Date: May 1, 2023
	(7 days before Settlement Hearing)
	Date: May 1, 2023

Reply Papers in Support of Final Approval, Notice Provider Declaration, and Response to Objections Due	(7 days before Settlement Hearing)
Settlement Hearing	Date: May 8, 2023
	(110 days after Preliminary Approval Order entered)
Payment to Escrow Account under paragraph [34] of the Settlement Agreement	Date:
	(15 days after Final Judgment entered and transmittal information received)
Deadline to Submit Claims If Not Previously Submitted	Date: June 3, 2023
	(120 days after Notice Date)

IT IS SO ORDERED.



State of Iowa Courts

Case Number
LACL146098
Type:

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

So Ordered

A handwritten signature in black ink, appearing to read "L. P. McLellan".

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

Electronically signed on 2023-01-13 16:17:16