

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

PHONES PLUS, INC, Plan Administrator  
of the Phones Plus Retirement Savings Plan,  
On Behalf of Itself and All Others Similarly  
Situated,

Plaintiff,

vs.

HARTFORD LIFE INSURANCE COMPANY  
and NEUBERGER BERMAN  
MANAGEMENT LLC,

Defendants.

Case No. 3:06-cv-1835 (AVC)

March 16, 2009

**NOTICE OF PENDENCY AND PARTIAL SETTLEMENT OF CLASS ACTION**

**TO: All persons or entities that are administrators of 401k Plans, which engaged Hartford Life Insurance Company as a full-service provider to design, implement, administer and/or assist in administering their 401k Plans for which, at any time since November 14, 2003, Neuberger Berman Management has served as an investment advisor.**

**If you fall within this group of persons, you are a “Sub-Class Member.”**

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.**

**WHY SHOULD I READ THIS NOTICE?**

This Notice is given pursuant to an Order issued by the United States District Court for the District of Connecticut (the “Court”). This Notice serves to inform you of the proposed partial settlement of this class action lawsuit (the “Settlement”) and the hearing (the “Final Approval Hearing”) to be held by the Court to consider the fairness, reasonableness and adequacy of the Settlement as set forth in the Settlement Agreement among the Plaintiff and Neuberger Berman Management LLC, f/k/a Neuberger Berman Management Inc. (the “Settling

Defendant” or “Neuberger” or “Neuberger Berman”), dated as of January 27, 2009 (the “Agreement”), on file with the Court. **THIS SETTLEMENT DOES NOT RELEASE OR OTHERWISE AFFECT ANY CLAIMS BY ANY PERSONS AGAINST HARTFORD LIFE INSURANCE COMPANY, WHICH REMAINS AS A DEFENDANT IN THIS LITIGATION.**

This Notice is intended to inform you how this Settlement may affect your rights and of what steps you may take in relation to it. This Notice is not an expression of any opinion by the Court as to the merits of the claims or defenses asserted in the lawsuit.

**WHAT IS THIS LAWSUIT ABOUT?**

Certain 401k plans engaged Hartford Life Insurance Company (“Hartford Life”) as a full-service provider to design, implement, administer and/or assist in administering their 401k Plans. Of those plans, some (the “Sub-Class”) engaged Neuberger Berman to serve as an investment advisor.

Plaintiff alleges that the Settling Defendant and Hartford Life breached their fiduciary duties under the Employee Income Retirement Securities Act (“ERISA”) and engaged in other violations of ERISA. In essence, Plaintiff alleges that Hartford Life unlawfully has accepted revenue sharing payments or kickbacks from mutual funds that are offered as investments through Hartford Life’s 401k retirement products in violation of ERISA. Plaintiff alleges that the Settling Defendant should have advised the Sub-Class Members that Hartford Life was receiving these allegedly unlawful payments. Plaintiff claims that the Settling Defendant failed to adequately monitor the actions of Hartford Life. The Settling Defendant denies that it engaged in any wrongful conduct or violated any laws, rules, or regulations and believes that it

has factual and legal defenses to Plaintiff's allegations. The Court has never ruled as to whether the Settling Defendant is liable to Plaintiff or to any of the other Sub-Class Members. This Notice is not intended to be an expression of any opinion by the Court with respect to the truth of the allegations in this lawsuit or the merits of the claims or defenses asserted. This Notice is solely to advise you of the pendency of the action and Settlement thereof and of your rights in connection with that partial Settlement. You may read the Court's orders on the Class Counsel's website, [www.sfmsslaw.com](http://www.sfmsslaw.com), under the heading "Settlements" and the sub-heading "Neuberger Berman Settlement."

### **WHAT IS THE MONETARY VALUE OF THE PARTIAL SETTLEMENT?**

The Settlement will result in the creation of a cash settlement fund in the principal amount of \$225,000 (the "Settlement Fund") which, subject to deduction for any attorneys' fees and expenses that may be approved by the Court, will be available for distribution to the Sub-Class Members. Neuberger Berman does not object to the attorneys representing the Sub-Class ("Class Counsel") being paid up to one-third of the amount of the Settlement Fund as reasonable attorneys' fees and expenses (*i.e.*, \$75,000). Plaintiff and Class Counsel have agreed not to seek in excess of this amount, but Plaintiff and Class Counsel have not determined the amount, if any, to seek as reasonable attorneys' fees and expenses and the decision of the amount, if any, to be awarded as reasonable attorneys' fees and expenses will ultimately be determined by the Court. As explained more fully below, the amount of distribution to Sub-Class Members will depend on *future* Court proceedings and it is therefore not possible to determine the exact amount of any such distribution at this time.

**DO I NEED TO CONTACT CLASS COUNSEL IN ORDER TO PARTICIPATE IN ANY FUTURE DISTRIBUTION OF THE SETTLEMENT FUND?**

No. If you have received this Notice, you will receive additional notice of any allocation, and will be advised if you need to take any additional steps. *If you did not receive this Notice from Class Counsel, but you believe that you are a Sub-Class Member, or if your address changes, please advise Class Counsel at the address listed below.*

**REASONS FOR SETTLEMENT**

Plaintiff and Class Counsel believe that this Settlement is fair and reasonable to the Sub-Class Members. They have reached this conclusion based on a number of factors, including the fact that Neuberger Berman did not receive any of the revenue sharing payments at issue in the above-captioned litigation, Neuberger Berman served as an investment advisor for the Sub-Class, which comprised only a relatively small number of 401k Plans for which Hartford Life provides services (approximately 575), and Plaintiff and Class Counsel believe that it is unlikely (although not impossible) that a trier of fact would ultimately find Neuberger Berman responsible for Hartford Life's receipt of the revenue sharing payments at issue. Plaintiff and Class Counsel believe that the amount of the Settlement is fair, reasonable and adequate under all of the circumstances and especially because it is believed that Neuberger Berman received total revenues of approximately \$382,400 in connection with the work that it performed providing certain investment advice to Sub-Class Members. Furthermore, Hartford Life is a solvent defendant and has long been the principal focus of Plaintiff's claims. For its part, the Settling Defendant denies any and all wrongdoing whatsoever, and the Settlement shall not and cannot be construed as an admission or concession of wrongdoing or liability by any party.

## **WHO ARE THE ATTORNEYS FOR THE SUB-CLASS?**

Any questions regarding the Settlement should be directed to Class Counsel or their staff:

James E. Miller  
Patrick A. Klingman  
Laurie Rubinow  
Shepherd, Finkelman, Miller & Shah, LLP  
65 Main Street  
Chester, CT 06412  
Telephone: (860) 526-1100  
Facsimile: (860) 526-1120  
Email: [jmiller@sfmslaw.com](mailto:jmiller@sfmslaw.com)  
[pklingman@sfmslaw.com](mailto:pklingman@sfmslaw.com)  
[lrubinow@sfmslaw.com](mailto:lrubinow@sfmslaw.com)

If you have any questions, you also can consult with Class Counsel by calling the following, toll-free number: (866) 540-5505. Or, you can email Class Counsel at the above email addresses.

You may obtain a copy of the Settlement Agreement by contacting Class Counsel at the telephone number listed above, or you may download a copy from Class counsel's website, [www.sfmslaw.com](http://www.sfmslaw.com), under the heading "Settlements" and the sub-heading "Neuberger Berman Settlement."

## **CAN I CHOOSE TO EXCLUDE MYSELF FROM THE SUB-CLASS?**

No. If you meet the description of being a Sub-Class Member, you are a member of that class. Pursuant to law and the Court's Preliminary Approval Order, which certifies a class for settlement purposes, Sub-Class Members are not allowed to request exclusion from class membership. In other words, there will be no right to opt-out. You will be bound by the outcome of this litigation, whether favorable or unfavorable. If this partial Settlement is approved, you will be bound by it.

### **CAN I OBJECT TO THE PARTIAL SETTLEMENT?**

Yes. If you are a Sub-Class Member, you may object to the terms of the Settlement and urge that the Court not approve the Settlement. In order for any objections to be considered, you must file a written statement with the Court, Class Counsel and Neuberger's Counsel by April 30, 2009.

### **WHAT ARE MY RIGHTS UNDER THE PARTIAL SETTLEMENT?**

If you are a Sub-Class Member, you will receive the benefit of, and you will be bound by, the terms of the proposed Settlement described in this Notice, upon approval of the proposed Settlement by the Court.

### **WHEN WILL THE PROCEEDS OF THE SETTLEMENT BE DISTRIBUTED?**

After the Court holds a Final Approval Hearing on June 30, 2009, at 11:00 a.m., and Class Counsel seek approval by the Court for (i) an award of reasonable attorneys' fees and expenses, if any, and (ii) a plan to allocate and distribute the Settlement Fund (plus any accrued interest and less any fees and expenses that are approved by the Court) for the benefit of Sub-Class Members, the Settlement Fund will be distributed on an equal *pro rata* basis to the Sub-Class Members and it is anticipated that each of the Sub-Class Members will receive between approximately \$260.00 and \$390.00 if this partial settlement is finally approved.

### **WHAT CLAIMS WILL BE RELEASED BY THE PARTIAL SETTLEMENT?**

If the proposed Settlement is approved by the Court, the Court will enter a Final Approval Order ("Judgment") that will permanently dismiss this litigation against the Settling Defendant. In addition, on the day the Judgment becomes effective, all Sub-Class Members, on behalf of themselves, their successors and assigns, shall be deemed to have fully, finally, and

forever released, relinquished, and discharged all claims or causes of action (whether known or unknown) that were, or could have been, asserted by the Plaintiff or any Sub-Class Members against the Settling Defendant, based upon the claims asserted against Neuberger Berman in the above-captioned litigation. ***This Settlement Does Not Release Or Otherwise Compromise Any Claims By Any Persons Against The Non-Settling Defendant, Hartford Life.***

#### **THE FINAL APPROVAL HEARING**

A hearing (the “Final Approval Hearing”) will be held on June 30, 2009 at 11:00 a.m., before the Honorable Alfred V. Covello, United States District Court Judge, at the United States District Court for the District of Connecticut, 450 Main Street, Hartford, CT 06103, for the purpose of determining (a) whether the proposed Settlement as set forth in the Agreement is fair, reasonable and adequate and should be approved by the Court; and (b) whether an Order of Final Judgment and Dismissal should be entered.

Any Sub-Class Member may appear at the Final Approval Hearing and be heard on any of the foregoing matters; provided, however, that no such person shall be heard unless his, her or its objection is made in writing and is filed, together with proof of membership in the Sub-Class (*i.e.*, submitted by Affidavit or through other documentary proof satisfactory to the Court) and with copies of all other papers and briefs to be submitted by him, her or it to the Court at the Final Approval Hearing, with the Court no later than April 30, 2009, and showing due proof of service on Class Counsel and Neuberger’s Counsel at the following addresses:

James E. Miller  
Patrick A. Klingman  
Laurie Rubinow  
Shepherd, Finkelman, Miller & Shah, LLP  
65 Main Street  
Chester, CT 06412  
Attorneys for Plaintiff and the Sub-Class

Joseph T. Baio  
Roger D. Netzer  
Michael E. Kraver  
Willkie Farr & Gallagher LLP  
787 Seventh Avenue  
New York, NY 10019-6099  
Attorneys for the Settling Defendant

Unless otherwise directed by the Court, any Sub-Class Member who does not make his, her or its objection in the manner provided shall be deemed to have waived all objections to this Settlement.

If you change your address, or if this Notice was not mailed to your correct address, you should immediately send notice in writing of your correct address to James E. Miller, Shepherd, Finkelman, Miller & Shah, LLP, 65 Main Street, Chester, CT 06412, Attn: Elena M. DiBattista.

**HOW DO I OBTAIN ADDITIONAL INFORMATION?**

This Notice contains only a summary of the terms of the proposed Settlement. The records in this litigation may be examined and copied at any time during regular office hours, and subject to customary copying fees, at the Office of the Clerk of the Court, United States District Court, District of Connecticut. If you have any questions concerning the matters contained in this Notice, or the remaining claims against Hartford Life in this litigation, you may call Class Counsel, toll-free, or send an email to Class Counsel at the number and email addresses provided above.

***PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE.***

Dated: March 16, 2009.

BY ORDER OF THE COURT  
Clerk, United States District Court  
for the District of Connecticut