

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

LR TRUST, derivatively on behalf of  
SUNTRUST BANKS, INC.,

Plaintiff,

v.

WILLIAM H. ROGERS, JR., PAUL R.  
GARCIA, M. DOUGLAS IVESTER,  
KYLE PRECHTL LEGG, DONNA S.  
MOREA, DAVID M. RATCLIFFE,  
FRANK P. SCRUGGS, JR., THOMAS  
R. WATJEN, DR. PHAIL WYNN, JR.,  
ROBERT M. BEALL, II, DAVID H.  
HUGHES, WILLIAM A.  
LINNENBRINGER, JEROME T.  
LIENHARD II,

Defendants,

and

SUNTRUST BANKS, INC., a Georgia  
corporation,

Nominal Defendant.

CIVIL ACTION NO.  
1:16-CV-04132-SCJ

**STIPULATION OF SETTLEMENT AND RELEASE AGREEMENT**

This Stipulation of Settlement and Release Agreement (“Agreement” or “Settlement Agreement” or “Stipulation”) is made and entered into on July 24, 2018, by and among the following parties, each by and through respective counsel:

(1) LR Trust, individually and derivatively on behalf of SunTrust Banks, Inc. (“Plaintiff”); (2) Nominal Defendant SunTrust Banks, Inc. (“SunTrust” or the “Company”); (3) William H. Rogers, Jr., M. Douglas Ivester, Kyle Prechtl Legg, Donna S. Morea, Thomas R. Watjen, Dr. Phail Wynn, Jr., Robert M. Beall, II, David H. Hughes, William A. Linnenbringer, Jerome T. Lienhard II Paul R. Garcia, David M. Ratcliffe, and Frank P. Scruggs, Jr. (collectively, the “Individual Defendants” and together with the parties enumerated above, the “Parties”). This Agreement is intended by the Parties to fully, finally, and forever resolve, discharge, and settle the Released Claims (as defined below), upon and subject to the terms and conditions hereof.

## **I. RECITALS**

### **A. Plaintiff’s Demand and SunTrust’s Response**

1. On September 26, 2014, the LR Trust, through its counsel, sent a demand letter (the “Demand”) to SunTrust’s Board of Directors requesting an investigation into the lending practices of SunTrust’s wholly-owned subsidiary, SunTrust Mortgage, Inc. (“STM”).

2. In response to Plaintiff’s Demand, the independent members of SunTrust’s Board of Directors appointed Messrs. Scruggs, Ratcliffe, and Garcia to serve as a Demand Review Committee (“DRC”) and vested in them full, final, and

binding authority to investigate, review, and analyze the claims raised in Plaintiff's Demand and determine whether it was in the best interest of the Company to pursue any claim based on the matters raised therein. The DRC engaged well-qualified independent counsel, Cabaniss, Johnston, Gardner, Dumas & O'Neal LLP ("Cabaniss Johnston"), to assist in the review and investigation of the issues raised in Plaintiff's Demand.

3. With the assistance of experienced independent counsel, the DRC conducted a thorough, detailed, and lengthy investigation, spanning a year and encompassing nearly 6,500 hours of investigative time. The DRC and its counsel directly interviewed or reviewed prior interview summaries of more than 70 current or former SunTrust personnel related to the specific issues raised in the Demand. The DRC, through counsel, also interviewed SunTrust's external counsel directly involved in the government investigations raised by the Demand. In all, the DRC and its counsel reviewed over 1.8 million pages of materials, including regulatory oversight material, independent reviews performed by outside consultants, and substantial documentation from the government's investigation and settlements of SunTrust's origination and underwriting of mortgage loans raised in the Demand.

4. Plaintiff, through its counsel, communicated with the DRC and provided its views as to the claims at issue and the information it believed to be relevant, and Plaintiff's input was considered by the DRC.

5. Additionally, as part of the DRC's investigation, it reviewed the corporate governance and internal control changes made by SunTrust during the relevant period, including numerous actions taken under the supervision and guidance of the Federal Reserve Board to strengthen the oversight of, and improve aspects of, its business concerning residential mortgage loan servicing, loss mitigation, and foreclosure. Among other things, SunTrust significantly revised its corporate governance and compliance practices and procedures with respect to mortgage servicing, and with respect to SunTrust as a whole.

6. Following its extensive, thorough, and independent investigation assisted by its well-qualified independent counsel, Cabaniss Johnston, the DRC determined that it was not in SunTrust's best interest to bring or pursue any litigation or other action based on Plaintiff's Demand.

7. On November 11, 2015, the DRC notified Plaintiff's counsel of its determination.

8. On January 8, 2016, upon Plaintiff's execution of an appropriate confidentiality agreement, the DRC provided Plaintiff with a copy of their 176-

page report, together with the exhibits thereto, related to the DRC's independent investigation and findings.

**B. Plaintiff's Derivative Action**

1. On November 3, 2016, Plaintiff filed a Verified Shareholder Derivative Complaint (the "Complaint") in the Northern District of Georgia, captioned *LR Trust v. Rogers, et al.*, Civil Action No. 1:16-CV-04132-SCJ.

2. The Complaint asserted claims on behalf of SunTrust against the Individual Defendants for breach of fiduciary duties, gross mismanagement, and unjust enrichment. Plaintiff sought on behalf of SunTrust, among other things, monetary damages and certain corporate governance reforms.

3. On February 15, 2017, the Individual Defendants and the Company (collectively, the "Defendants"), filed Motions to Dismiss the Complaint for failure to state a claim under Federal Rules of Civil Procedure 12(b)(6) and 23.1. The Company also sought dismissal under O.C.G.A. § 14-2-744. Plaintiff opposed the Motions to Dismiss.

4. On September 19, 2017, the Court granted Defendants' Motions to Dismiss and held that the derivative proceeding was subject to dismissal under O.C.G.A. § 14-2-744 (the "Dismissal Order"). The Court entered a judgment dismissing with prejudice all claims investigated and recommended for dismissal

by the DRC. The Court dismissed without prejudice those claims that had been deferred by the DRC.

5. On October 16, 2017, Plaintiff filed its Notice of Appeal to the United States Court of Appeals for the Eleventh Circuit.

6. On November 15, 2017, pursuant to Fed. R. App. P. 33 and 11th Cir. R. 33-1, the Eleventh Circuit directed the parties to participate in a mediation with one of the Eleventh Circuit's experienced mediators, Clifford Altekruise, through the Kinnard Mediation Center. The initial mediation session was held on December 7, 2017. While the parties made some progress in the initial mediation, they were not able to resolve the dispute at that time. The parties agreed to continue the settlement discussions, however, and over the next six months, the parties held multiple negotiation sessions with the assistance of Mr. Altekruise and on their own. In April 2018, with the assistance of Mr. Altekruise, the parties were able to reach agreement upon the principal terms of settlement of the Action. After the principal terms of settlement were agreed to, the parties, with the assistance of Mr. Altekruise, then negotiated the amount to be paid to Plaintiff's Counsel for their fees and reimbursement of expenses, subject to Court approval (the "Fee and Expense Award"). Ultimately, on June 5, 2018, the Parties engaged in an in-person mediation session with Mr. Altekruise and reached an agreement as to the

Fee and Expense Award, and executed a term sheet reflecting all of the principal terms of settlement.

7. The Parties now agree to settle the Action and any claims that were asserted or could have been asserted in, or which may or could arise out of, the Action or Plaintiff's Demand.

## **II. CLAIMS AND POTENTIAL CLAIMS OF THE SHAREHOLDERS AND BENEFITS OF SETTLEMENT**

Plaintiff believes that the claims asserted in the Action on behalf of SunTrust have merit. Plaintiff, however, recognizes and acknowledges the expense and length of continued proceedings necessary to prosecute the Action, including the appeal of this Action, and/or any action arising out of the Plaintiff's Demand. Plaintiff and its counsel also have taken into account the uncertain outcome and the risk of continued litigation, especially in light of the Dismissal Order and pending appeal, as well as the difficulties and delays inherent in such litigation.

Based on their evaluation, Plaintiff and its counsel have determined that the Settlement is in the best interests of SunTrust. Plaintiff and its counsel also believe that the Settlement confers substantial benefits upon SunTrust and its shareholders. Plaintiff and its counsel base this conclusion upon, among other things, their investigation during the development, prosecution, and settlement of the Action and the Demand, which included: (a) review of the Consent Judgment related to

the National Mortgage Servicing matter and Federal Housing Administration (“FHA”) Originations investigation as detailed in Plaintiff’s Complaint; (b) review of the Company’s settlement agreement with the United States Attorney for the Western District of Virginia as detailed in the Complaint; (c) review of other government reports; (d) review of documents relating to a complaint against the Company pending in Bankruptcy Court as detailed in the Complaint; (e) review of class action lawsuits by homeowners and employees as detailed in the Complaint; (f) review and analysis of public filings made by SunTrust with the United States Securities and Exchange Commission (“SEC”); (g) review and analysis of press releases and other publications by the Company, certain of the Defendants, and other persons; (h) review of news articles, shareholder communications, and postings on SunTrust’s website concerning the Company’s public statements and the conduct of the Individual Defendants; (i) review of other publicly available information concerning SunTrust, the Individual Defendants, and other persons; (j) participation in multiple mediation sessions; (k) reviewing the DRC’s Report and related documents; (l) communications with the DRC’s counsel; (m) research on corporate governance issues; (n) research on the applicable law with respect to the claims asserted in the Action and the Demand, and any potential defenses thereto; and (o) review and analysis of the Dismissal Order.

### **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

The Individual Defendants have denied, and continue to deny, each and all of the claims and contentions alleged by the Plaintiff in the Action and the Demand. The Individual Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Action and the Demand, and the Individual Defendants contend that they have numerous meritorious defenses to the claims and allegations in the Action and the Demand. The Individual Defendants also have denied and continue to deny, among other allegations, the allegations that SunTrust or its shareholders have suffered damage or that SunTrust or its shareholders were harmed in any way by the conduct alleged in the Action and the Demand. The Individual Defendants have further asserted and continue to assert that at all times they acted in good faith and in a manner they reasonably believed to be, and that was, in the best interests of SunTrust and its shareholders. Pursuant to the terms set forth below, this Agreement shall in no event be construed as or deemed to be evidence of an admission or concession by the Individual Defendants with respect to any claim of fault, liability, wrongdoing, or damage whatsoever.

Nonetheless, Defendants have concluded that further litigation would be protracted and expensive and that it is desirable that the Action and any claims that were asserted or could have been asserted in, or which may or could arise out of, the Action or Demand be fully and finally settled in the manner and upon the terms and conditions set forth in the Agreement. Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Action. Defendants have, therefore, determined that it is desirable that the Action and Demand be fully and finally settled in the manner and upon the terms and conditions set forth in this Agreement.

#### **IV. TERMS OF SETTLEMENT AGREEMENT AND RELEASE**

NOW, THEREFORE, in light of the foregoing, for good and valuable consideration, the receipt of which is hereby mutually acknowledged, it is hereby stipulated and agreed by the Parties that the Action and any claims that were asserted or could have been asserted in, or which may or could arise out of, the Action or Demand be finally and fully, compromised, and released, and the Action shall be dismissed in its entirety with prejudice and with full preclusive effect, upon and subject to the terms and conditions of the Agreement, as set forth below:

## **A. Definitions**

In addition to the terms defined at various points within this Agreement, the following defined terms apply throughout this Agreement:

1. “Action” means the derivative action pending in the Northern District of Georgia, captioned *LR Trust v. Rogers, et al.*, Civil Action No. 1:16-CV-04132-SCJ (N.D. Ga. Nov. 3, 2016).

2. “Corporate Governance Reforms” means the measures detailed in Section IV.B.1-8, below, that shall be adopted, implemented, and/or maintained by SunTrust pursuant to this Agreement.

3. “Court” means the United States District Court for the Northern District of Georgia.

4. “Current SunTrust Shareholder” means any Person who owned SunTrust common stock as of the date of the execution of the Agreement and who continues to hold such SunTrust common stock as of the date of the Settlement Hearing.

5. “Defendants” means the Individual Defendants and nominal defendant SunTrust.

6. “Demand” means the formal written demand sent to the Board of Directors of SunTrust by the LR Trust, through its counsel WeissLaw LLP, on September 26, 2014.

7. “DRC” means Messrs. Scruggs, Ratcliffe, and Garcia whom the independent members of SunTrust’s Board of Directors appointed and vested with full, final, and binding authority to investigate, review, and analyze the claims raised in Plaintiff’s Demand (as defined herein) and determine whether it was in the best interest of the Company to pursue any claim based on the matters raised therein.

8. “Director” means an individual member of the Board of Directors of SunTrust.

9. “Effective Date” means the first date by which all of the events and conditions specified in Section IV.F.1 of this Agreement have been met and have occurred.

10. “Fee and Expense Award” means the agreed-upon amount of \$585,000 to be paid to Plaintiff’s Counsel for their attorneys’ fees and expenses, subject to approval by the Court, in recognition of the substantial benefits conferred on the Company and its shareholders by the Settlement. Such amount shall include all attorneys’ fees and expenses that may be due any counsel or party

who has asserted or participated in the assertion of derivative claims in this Action and/or the Demand.

11. “Final” with respect to the Order and Final Judgment to be entered pursuant to this Agreement, occurs on the first business day following the date the Order and Final Judgment becomes final and unappealable, whether by expiration of time to appeal, affirmance on any appeal taken, or exhaustion of any possible appeal or review, writ of certiorari, lapse of time, or otherwise. For purposes of this paragraph, an “appeal” shall not include any appeal that concerns only the issue of the Fee and Expense Award. The failure of the Court to approve the Fee and Expense Award in whole or in part shall not in any way delay or preclude the Order and Final Judgment from becoming Final.

12. “Individual Defendants” means defendants William H. Rogers, Jr., Paul R. Garcia, M. Douglas Ivester, Kyle Prechtl Legg, Donna S. Morea, David M. Ratcliffe, Frank P. Scruggs, Jr., Thomas R. Watjen, Dr. Phail Wynn, Jr., Robert M. Beall, II, David H. Hughes, William A. Linnenbringer, and Jerome T. Lienhard II.

13. “Judgment” or “Order and Final Judgment” means the final judgment and order of dismissal with prejudice to be rendered by the Court that contains all material terms of the proposed form of order attached hereto as **Exhibit D**.

14. “Notice” or “Notice of Proposed Settlement” means the notice of this Agreement to be posted on the website of Plaintiff’s counsel, WeissLaw LLP, and on the investor relations page of SunTrust’s website substantially in the form attached hereto as **Exhibit C**.

15. “Notices” refers collectively to the Notice and the Summary Notice (as defined herein).

16. “Person” means an individual, corporation, limited liability corporation, professional corporation, partnership, limited partnership, limited liability partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government, or any political subdivision or agency thereof.

17. “Plaintiff” means LR Trust.

18. “Plaintiff’s Counsel” means WeissLaw LLP, Law Offices of David A. Bain LLC, and any other law firm that appeared on behalf of Plaintiff in the Action.

19. “Preliminary Approval Order” means the order to be rendered by the Court preliminarily approving the Settlement, substantially in the form of the attached **Exhibit A**.

20. “Related Persons” means each of the Defendants and their past or present agents, officers, directors, attorneys, accountants, auditors, advisors, insurers (and insurers’ respective past and present officers, directors, employees, agents, affiliates, parents, subsidiaries, divisions, attorneys, accountants, auditors, advisors, underwriters, insurers, co-insurers, re-insurers, heirs, executors, personal representatives, estates, administrators, trusts, predecessors, successors, and assigns), co-insurers, reinsurers, spouses, immediate family members, heirs, executors, personal representatives, estates, administrators, trusts, predecessors, successors, and assigns, each other individual or entity in which any of the Defendants has a controlling interest, and each and all of their respective past and present officers, directors, employees, agents, affiliates, parents, subsidiaries, divisions, attorneys, accountants, auditors, advisors, insurers, co-insurers, re-insurers, heirs, executors, personal representatives, estates, administrators, trusts, predecessors, successors, and assigns.

21. “Released Claims” means any and all actions, suits, claims, demands, rights, liabilities, matters, issues, and causes of action, including, but not limited to, those arising under contract, statute, or common law, including both known claims and Unknown Claims (as defined herein), whether fixed or contingent or absolute, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or

unmatured, discoverable or undiscoverable, concealed or hidden, that have been, could have been, or in the future might be asserted by Plaintiff (both individually and derivatively on behalf of SunTrust) and/or any SunTrust shareholder derivatively on behalf of SunTrust against any Released Persons based upon, arising out of, or related to (a) the allegations, facts, transactions, events, occurrences, acts, disclosures, statements, representations, omissions, or failures to act relating to all matters involved, set forth, referred to, or alleged in the Action; (b) the allegations, facts, transactions, events, occurrences, acts, disclosures, statements, representations, omissions, or failures to act relating to all matters involved, set forth, referred to, or alleged in the Demand and any other demand on the Board of Directors arising out of the same underlying litigation or government investigations; and (c) the defense or settlement of the Action, the Demand, and/or the Released Claims, including the payments provided for herein. “Released Claims” shall not include any claims to enforce this Agreement.

22. “Released Persons” shall mean and include SunTrust, each of the Individual Defendants, and each and all of the foregoing individuals’ and entities’ Related Persons.

23. “Releasing Parties” means Plaintiff (both individually and derivatively on behalf of SunTrust and all Current SunTrust Shareholders), all Current SunTrust shareholders on behalf of SunTrust, and Plaintiff’s Counsel.

24. “Settlement” means the settlement documented in this Settlement Agreement.

25. “Settlement Hearing” means a hearing before the Court to consider and determine whether to approve the terms of the Settlement as fair, reasonable, and adequate, and in the best interests of SunTrust.

26. “Summary Notice” means the Summary Notice to Current SunTrust Shareholders, substantially in the form of **Exhibit B** attached hereto.

27. “SunTrust” or the “Company” means SunTrust Banks, Inc., including, but not limited to, its predecessors, successors, controlling shareholders, partners, joint venturers, subsidiaries, affiliates, divisions, and assigns.

28. “Unknown Claims” means any Released Claim(s) that the Releasing Parties do not know of or suspect to exist in their favor at the time of the release of the Released Persons, including claims that, if known by them, might have affected the decision to enter into or object to the settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date, the Parties expressly waive the provisions, rights, and benefits conferred by or under

California Civil Code section 1542, or any other law of the United States or any state or territory of the United States, or principle of common law that is similar, comparable, or equivalent to §1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Releasing Parties acknowledge that they may hereafter discover facts in addition to or different from those now known or believed to be true by them, with respect to the subject matter of the Released Claims, but it is the intention of the Releasing Parties to completely, fully, finally, and forever compromise, settle, release, discharge, relinquish, and extinguish any and all Released Claims, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which do now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. The Parties acknowledge that the foregoing waiver was separately bargained for and is a key element of the Agreement of which this release is a part.

## **B. Settlement Consideration**

### **The Demand Review Committee**

1. In response to Plaintiff's Demand, the DRC was formed to consider and respond to the Demand. The DRC was an independent committee comprised of three outside, independent directors from SunTrust's Board of Directors. The DRC conducted an extensive investigation of the matters set out in the Plaintiff's Demand. Plaintiff, through its counsel, communicated with the DRC and provided its views as to the claims at issue and the information it believed to be relevant, and Plaintiff's input was considered by the DRC. SunTrust agrees that the DRC investigation was valuable and beneficial to the Company.

### **Corporate Governance and Personnel Changes Made by SunTrust**

1. As part of the DRC's investigation, it reviewed the corporate governance and internal control changes made by SunTrust during the relevant period, including numerous actions taken under the supervision and guidance of the Federal Reserve Board to strengthen the oversight of, and improve aspects of, its business concerning residential mortgage loan servicing, loss mitigation, and foreclosure. Among other things, SunTrust significantly revised its corporate governance and compliance practices and procedures with respect to mortgage servicing, and with respect to SunTrust as a whole. SunTrust thoroughly

reconsidered and appropriately revised its operations in various areas, including its Compliance Program, Enterprise Risk Program, Internal Audit Program, and Corporate Governance.

2. SunTrust also made significant leadership changes at STM, including the installation of Jerome Lienhard as President and CEO. Mr. Lienhard joined SunTrust in 2006 as Senior Vice President and Treasurer. Prior to joining SunTrust, he was Senior Vice President and Treasurer for the Federal Home Loan Mortgage Corporation. In his new role as CEO of STM in 2011, Mr. Lienhard made various organizational and personnel changes, ultimately replacing and/or reorganizing a significant number of the positions which reported directly to him. Mr. Lienhard also separated STM from SunTrust's Consumer Banking unit and reorganized it as a standalone unit. Effective as of November 1, 2015, Mr. Lienhard became the Chief Risk Officer of SunTrust Banks, Inc. with responsibilities for the Company's risk discipline, including market, operational, credit and compliance risk and oversight of the risk review assurance function, and portfolio risk analytics and modeling.

3. Moreover, also effective as of November 1, 2015, SunTrust appointed Thomas Freeman to lead the Consumer Banking and Private Wealth Management Segments; Brad Dinsmore to lead Consumer Banking, overseeing the Company's

deposit, consumer products, and client acquisition and experience strategies; and Dorinda Smith as Mortgage Segment executive, serving as President and CEO of STM.

4. On December 17, 2015, SunTrust announced that Dallas S. Clement and Bruce L. Tanner had been appointed to its Board of Directors.

5. On April 1, 2016, SunTrust named Peter E. Mahoney as Executive Vice President, Chief Regulatory & Compliance Officer. Mr. Mahoney previously served as Executive Vice President, Mortgage Strategy, where he was responsible for strategy, planning, and the operational response associated with compliance with business practice changes affecting the mortgage industry and STM. He has substantial knowledge of, and experience with, ethics and compliance standards. As SunTrust's Chief Regulatory & Compliance Officer, Mr. Mahoney provides periodic reports to the Risk Committee of the Board of Directors ("Risk Committee"), as necessary and appropriate.

6. In August 2016, Margaret Callihan was appointed the Chief Human Resources Officer. Subsequently, in early 2017, SunTrust appointed Mark Chancy as the Vice Chairman – Consumer Segment Executive, in which role he is responsible for the Consumer Banking, Private Wealth Management, and Mortgage Segments, and Thomas Freeman was appointed Corporate Executive

Vice President and Efficiency & Strategic Partnerships Executive, with responsibility for, among other things, improving efficiencies in the Company's Consumer operations. In April 2017, SunTrust also established an Ethics Office naming Arnold Evans as the Ethics Officer charged with ensuring that the Company's business practices and risk culture are consistent with its values and corporate purpose.

7. In 2017, SunTrust also appointed Agnes Bundy Scanlan and Steven C. Voorhees to its Board of Directors. SunTrust agrees that these changes were valuable and beneficial to the Company.

### **Corporate Governance Reforms**

In consideration of the full settlement and release of all Released Claims against Defendants and the other Released Parties, except as set forth below, SunTrust agrees to maintain the following measures through March 31, 2021, which it agrees are valuable and beneficial to the Company. The Corporate Governance Reforms shall be maintained through March 31, 2021, unless it is earlier determined by (a) the Board of Directors that the measure is no longer in the best interest of the Company; or (b) the Company that it reasonably believes that removal, modification, or alteration of the measures are necessary to ensure compliance with applicable law or regulation.

1. SunTrust will monitor and periodically assess its underwriting guidelines and whether those guidelines comply with applicable laws and regulations;
2. SunTrust will maintain the position of a chief compliance officer (“Chief Compliance Officer”);
3. The Chief Compliance Officer will have substantial knowledge of, and experience with, ethics and compliance standards;
4. The Chief Compliance Officer shall provide to the Risk Committee a quarterly report summarizing material compliance issues, control lapses and/or related risk exposures identified by management, the status of remedial measures associated with such compliance issues, and training statistics, and, at least annually, shall review and/or approve the Company’s compliance policies;
5. The Chief Compliance Officer will provide periodic reports of relevant material issues and related remedial steps to the Risk Committee, as necessary and appropriate;
6. The minutes of the Risk Committee meetings shall reflect the fact that such updates and written reports were made, and the written reports and related documentation provided to the Risk Committee shall be maintained in accordance

with relevant document retention provisions, including Federal Reserve Board rules regarding confidentiality, applicable to the Risk Committee minutes;

7. The Chief Compliance Officer shall have the authority: (a) to take or direct any necessary and appropriate corrective or remedial action, including notifying the SEC and the United States Department of Justice, if he or she finds that SunTrust is materially out-of-compliance with any laws or regulations under which the Company operates, and (b) to direct steps to maintain or implement effective internal compliance-related controls; and

8. The Chief Compliance Officer shall coordinate internal director education seminars regarding relevant compliance standards, procedures and enforcement activities, including related controls, and material updates or changes to key laws and regulations under which the Company operates.

### **Discovery**

1. The Residential Funding Action: SunTrust shall produce, pursuant to a Confidentiality Order entered by the District Court or such other agreement entered into by the parties, the settlement agreement and the complaint.

2. Mortgage Insurance Cases: SunTrust shall produce, pursuant to a Confidentiality Order entered by the District Court or such other agreement entered

into by the parties, the settlement agreement and the complaint in the Thurmond action.

**C. Procedure for Implementing the Settlement**

1. Promptly after execution of the Agreement, Plaintiff and Defendants shall jointly request that the Eleventh Circuit stay the appeal in the Action in order for the District Court to consider preliminary approval of the Settlement and thereafter, if preliminary approval is granted, to consider final approval of the Settlement.

2. Plaintiff shall submit the Agreement together with its exhibits to the Court and shall file an unopposed motion for Preliminary Approval of the Settlement and apply for entry of a Preliminary Approval Order, substantially in the form of **Exhibit A** hereto, requesting, *inter alia*: (i) the preliminary approval of the Settlement set forth in the Agreement; (ii) approval of the forms and manner of the dissemination of the Notice and Summary Notice to Current SunTrust Shareholders; and (iii) a date for the Settlement Hearing, pursuant to Federal Rule of Civil Procedure 23.1, for the Court to consider and determine whether to approve the terms of the Settlement as fair, reasonable, and adequate, including the Fee and Expense Award separately negotiated by the Parties.

3. Notice to Current SunTrust Shareholders shall consist of the Notice of Proposed Settlement, which includes the general terms of the Settlement set forth in the Agreement and the date of the Settlement Hearing, substantially in the form attached hereto as **Exhibit C** and the Summary Notice substantially in the form attached hereto as **Exhibit B**.

4. Within fifteen (15) business days after the entry of the Preliminary Approval Order, SunTrust shall cause the Notice and a copy of the Agreement to be posted on the investor relations page of SunTrust's website for thirty (30) calendar days. Additionally, within fifteen (15) business days after the entry of the Preliminary Approval Order, SunTrust shall cause the Summary Notice to be published one time in *Investor's Business Daily*. Prior to the Settlement Hearing, Defendants' Counsel shall file with the Court an appropriate affidavit or declaration with respect to posting and publishing the Notices. SunTrust shall be solely responsible for paying the costs and expenses related to providing such Notices to its shareholders.

5. Within fifteen (15) business days after the entry of the Preliminary Approval Order, Plaintiff's Counsel shall cause the Notice and a copy of the Agreement to be posted on the website of WeissLaw LLP for thirty (30) calendar days. Prior to the Settlement Hearing, Plaintiff's Counsel shall file with the Court

an appropriate affidavit or declaration with respect to posting the Notice and Agreement. Plaintiff and/or its Counsel shall be solely responsible for paying the costs and expenses related to providing this Notice to SunTrust's shareholders.

**D. Releases**

1. Upon the Effective Date, the Releasing Parties shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever waived, released, relinquished, and discharged the Released Claims (including Unknown Claims) against the Released Persons, and shall be permanently barred and enjoined from instituting, commencing, or prosecuting the Released Claims against the Released Persons. Nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of this Agreement.

2. Upon the Effective Date, the Released Persons and all Current SunTrust Shareholders shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged Plaintiff and Plaintiff's Counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement, or resolution of the Released Claims. Nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of this Agreement.

**E. Plaintiff's Counsel's Attorneys' Fees and Expenses**

1. After negotiation of the principal terms of the Settlement set forth herein, Plaintiff's Counsel and Defendants separately negotiated at arm's-length, with the assistance of the Eleventh Circuit mediator, Mr. Altekruise, the amount of attorneys' fees and expenses to be paid to Plaintiff's Counsel. As a result of these negotiations, Defendants agreed to cause an award of attorneys' fees and expenses to be paid to Plaintiff's Counsel in the amount of \$585,000.00, subject to approval of the Court. The Parties mutually agree that the Fee and Expense Award is fair and reasonable in light of the substantial benefits conferred upon SunTrust and its shareholders by this Settlement. The Fee and Expense Award shall constitute final and complete payment for Plaintiff's Counsel's fees and expenses that have been incurred or will be incurred in connection with the Action and the Demand.

2. The Fee and Expense Award shall be made payable via wire payment to WeissLaw LLP, with such written payment instructions to be supplied by WeissLaw LLP to Defendants' counsel. WeissLaw LLP shall allocate the Fee and Expense Award among Plaintiff's Counsel. The Released Persons shall have no input in, or responsibility or liability for, the allocation of the Fee and Expense Award. Any attorney who receives any portion of the Fee and Expense Award before the Effective Date shall be subject to the requirement to refund that portion

if, and to the extent that, the Fee and Expense Award is reversed or modified on appeal, or if the Effective Date does not occur, as set forth in Section E.4, below.

3. Payment of the Fee and Expense Award shall be made by SunTrust as specified above within five (5) business days after the date of the entry of the Order and Final Judgment, notwithstanding the existence of any collateral attacks on the Settlement and/or the Fee and Expense Award, including, without limitation, any objections or appeals. Any reduction, modification, or non-approval of the Fee and Expense Award shall not in any way delay or preclude the Order and Final Judgment from becoming Final.

4. In the event the Order and Final Judgment fails to become Final as defined in Section IV.A.11 herein, then it shall be the obligation of Plaintiff's Counsel to make appropriate refunds or repayments to the Defendants of any attorneys' fees and expenses previously paid within ten (10) business days from receiving notice from Defendants' counsel or from a court of appropriate jurisdiction.

5. Except as expressly provided herein, Plaintiff and Plaintiff's Counsel shall bear their own fees, costs, and expenses, and no Released Person shall assert any claim for expenses, costs, or fees against Plaintiff or Plaintiff's Counsel.

6. It is the intention of the Parties that none of the Released Persons shall have any liability whatsoever for amounts owed for taxes by Plaintiff or Plaintiff's Counsel on account of the payments made or to be made under this Agreement. All tax liability (if any) in connection with the Fee and Expense Award shall be borne solely and exclusively by Plaintiff or Plaintiff's Counsel.

**F. Conditions of Settlement, Effect of Disapproval, Cancellation, or Termination**

1. The Effective Date of the Agreement shall be conditioned on the occurrence of all of the following events:
  - a. The Preliminary Approval Order has been entered by the Court substantially in the form of **Exhibit A**;
  - b. The Order and Final Judgment has been entered by the Court substantially in the form of **Exhibit D** hereto;
  - c. The Fee and Expense Award has been paid; and
  - d. The Order and Final Judgment has become Final.
2. If any of the conditions specified above are not met, then this Agreement shall be cancelled and terminated unless the Parties mutually agree in writing, by and through their respective counsel, to proceed with the Agreement.
3. In the event that the Agreement or Settlement is not approved by the Court, or the Settlement is terminated for any reason, the Parties shall be restored

to their respective positions as of the last date before the execution of this Agreement, and all negotiations, proceedings, documents prepared, and statements made in connection herewith shall be without prejudice to the Parties, shall not be deemed or construed to be an admission by any Party of any act, matter, or proposition, and shall not be used in any manner for any purpose in any subsequent proceeding in the Action or in any other action or proceeding, including any action or proceeding arising out of the Demand. In such event, other than this provision, the remaining terms and provisions of the Agreement, shall have no further force and effect with respect to the Parties and shall not be used in the Action or in any other proceeding for any purpose, including in any proceeding arising out of the Demand, and any judgment or orders entered by the Court in accordance with the terms of the Agreement shall be treated as vacated, *nunc pro tunc*.

**G. Miscellaneous Provisions**

1. The Parties (a) acknowledge that it is their intent to consummate this Agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this Agreement and to exercise their best efforts to accomplish the foregoing terms and conditions of this Agreement.

2. The Parties intend this Settlement to be a final and complete resolution of all disputes between Plaintiff (and all Current SunTrust Shareholders) derivatively on behalf of SunTrust, the Individual Defendants, and SunTrust with respect to the Action and any claims that were asserted or could have been asserted in, or which may or could arise out of, the Action or Demand. The Settlement shall not be deemed an admission by any Party as to the merits of any claim, allegation, or defense. The Parties further agree that the claims are being settled voluntarily after consultation with competent legal counsel.

3. The provisions contained in this Agreement (including any exhibits attached hereto) shall not be deemed a presumption, concession, or admission by any Party of any fault, liability, or wrongdoing, or lack of merit as to any facts or claims alleged or asserted in the Action or in any other action or proceeding, either presently known or unknown, and shall not be interpreted, construed, deemed, invoked, offered, or received into evidence or otherwise used by any person in the Action or in any other action or proceeding, whether civil, criminal, or administrative, and whether presently known or unknown, except in connection with any proceeding to enforce the terms of the Settlement. The Parties and the Released Persons may file the Agreement 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, full faith and credit, release, good faith settlement, judgment bar, or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

4. The exhibits to this Agreement are material and integral parts hereof and are fully incorporated herein by this reference.

5. The Agreement may be amended or modified only by a written instrument signed by or on behalf of all Parties or their respective successors-in-interest.

6. This Agreement and the exhibits attached hereto constitute the entire agreement among the Parties and no representations, warranties, or inducements have been made to any Party concerning the Agreement or any of its exhibits other than the representations, warranties, and covenants contained and memorialized in such documents. Except as otherwise provided herein, each Party shall bear its own costs.

7. This Agreement may be executed in one or more counterparts. A faxed or pdf signature shall be deemed an original signature for the purposes of this Agreement. All executed counterparts, and each of them, shall be deemed to be one and the same instrument. A complete set of counterparts, either originally executed or copies thereof, shall be filed with the Court.

8. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties and the Released Persons.

9. The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Agreement, and the Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Agreement.

10. This Agreement and the exhibits attached hereto shall be considered to have been negotiated, executed, and delivered, and to be wholly performed, in the State of Georgia, and the rights and obligations of the parties to this Agreement shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of Georgia without giving effect to that state's choice-of-law principles.

11. Plaintiff has not assigned, encumbered, or in any manner transferred in whole or in part any of the Released Claims.

12. All agreements or stipulations made and orders entered during the course of the Action and the DRC's investigation of the Demand relating to the confidentiality of information shall survive this Agreement.

13. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of this Agreement.

14. The Agreement shall be deemed drafted equally by all parties hereto.

15. In the event that there exists a conflict or inconsistency between the terms of this Agreement and the terms of any exhibit hereto, the terms of this Agreement shall prevail.

IN WITNESS WHEREOF, the Parties have caused the Stipulation to be executed by their duly authorized attorneys and dated July 24, 2018.

**[SIGNATURE PAGE TO FOLLOW]**

**WEISSLAW LLP**



---

Joseph H. Weiss  
David C. Katz  
1500 Broadway  
New York, NY 10036  
Telephone: (212) 682-3025  
Facsimile: (212) 682-3010

**LAW OFFICES OF DAVID A.  
BAIN LLC**

---

David A. Bain  
1050 Promenade II  
1230 Peachtree Street, NE  
Atlanta, GA 30309  
Telephone: (404) 724-9990  
Facsimile: (404) 724-9986

*Counsel for Plaintiff*

**TROUTMAN SANDERS LLP**

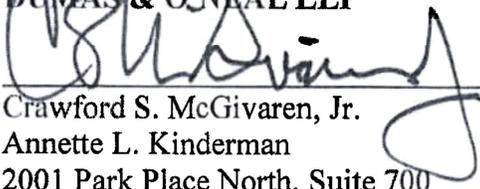


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J. Timothy Mast  
Mary M. Weeks  
600 Peachtree Street, Suite 3000  
Atlanta, GA 30308  
Telephone: (404) 885-3000  
Facsimile: (404) 962-6796

*Counsel for Defendants William H. Rogers, Jr., M. Douglas Ivester, Kyle Prechtl Legg, Donna S. Morea, Thomas R. Watjen, Dr. Phail Wynn, Jr., Robert M. Beall, II, David H. Hughes, William A. Linnenbringer, Jerome T. Lienhard II, and Nominal Defendant SunTrust Banks, Inc.*

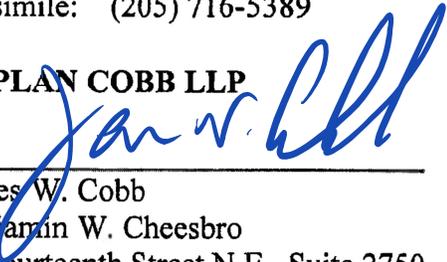
**CABANISS, JOHNSTON, GARDNER,  
DUMAS & O'NEAL LLP**



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Crawford S. McGivaren, Jr.  
Annette L. Kinderman  
2001 Park Place North, Suite 700  
Birmingham, AL 35203  
Telephone: (205) 716-5200  
Facsimile: (205) 716-5389

**CAPLAN COBB LLP**



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James W. Cobb  
Benjamin W. Cheesbro  
75 Fourteenth Street N.E., Suite 2750  
Atlanta, GA 30309  
Telephone: (404) 596-5606

*Counsel for Defendants Paul R. Garcia, David M. Ratcliffe, and Frank P. Scruggs, Jr.*

**WEISSLAW LLP**

---

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1500 Broadway  
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Facsimile: (212) 682-3010

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Atlanta, GA 30309  
Telephone: (404) 724-9990  
Facsimile: (404) 724-9986

*Counsel for Plaintiff*

**TROUTMAN SANDERS LLP**

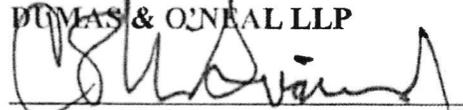


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Timothy Mast  
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Telephone: (404) 885-3000  
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*Counsel for Defendants William H. Rogers, Jr., M. Douglas Ivester, Kyle Prechtl Legg, Donna S. Morea, Thomas R. Watjen, Dr. Phail Wynn, Jr., Robert M. Beall, II, David H. Hughes, William A. Linnenbringer, Jerome T. Lienhard II, and Nominal Defendant SunTrust Banks, Inc.*

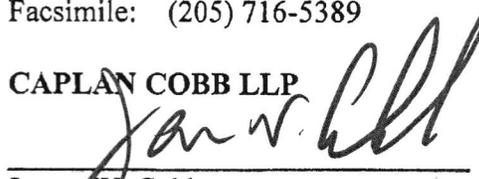
**CABANISS, JOHNSTON, GARDNER,  
DUMAS & O'NEAL LLP**



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Crawford S. McGivaren, Jr.  
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**CAPLAN COBB LLP**



---

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Telephone: (404) 596-5606

*Counsel for Defendants Paul R. Garcia, David M. Ratcliffe, and Frank P. Scruggs, Jr.*

# **EXHIBIT A**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

LR TRUST, derivatively on behalf of  
SUNTRUST BANKS, INC.,

Plaintiff,

v.

WILLIAM H. ROGERS, JR., PAUL R.  
GARCIA, M. DOUGLAS IVESTER,  
KYLE PRECHTL LEGG, DONNA S.  
MOREA, DAVID M. RATCLIFFE,  
FRANK P. SCRUGGS, JR., THOMAS  
R. WATJEN, DR. PHAIL WYNN, JR.,  
ROBERT M. BEALL, II, DAVID H.  
HUGHES, WILLIAM A.  
LINNENBRINGER, JEROME T.  
LIENHARD II,

Defendants,

and

SUNTRUST BANKS, INC., a Georgia  
corporation,

Nominal Defendant.

CIVIL ACTION NO.  
1:16-CV-04132-SCJ

**[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT**

WHEREAS, a consolidated derivative action is pending before this Court styled *LR Trust v. Rogers*, Civil Action No. 1:16-CV-04132-SCJ (the “Action”);

WHEREAS, Plaintiff has made an unopposed application, pursuant to Federal Rule of Civil Procedure 23.1(c), for an order: (i) preliminarily approving the proposed settlement (the “Settlement”) of the Action in accordance with the Agreement dated July 24, 2018 (the “Agreement”), which, together with the exhibits annexed thereto, sets forth the terms and conditions for the proposed Settlement and dismissal of the Action with prejudice; and (ii) approving the form and manner of the dissemination of the Notices to Current SunTrust Shareholders, attached as Exhibits B and C, respectively to the Agreement; and (iii) scheduling a date at least forty-five days after the entry of this Preliminary Approval Order for the Settlement Hearing (as defined below), pursuant to Federal Rule of Civil Procedure 23.1, for the Court to consider and determine whether to approve the terms of the Settlement as fair, reasonable, and adequate, including the payment of attorneys’ fees and expenses in the amount separately negotiated by the Parties;

WHEREAS, this Court has considered the Agreement and the exhibits annexed thereto and the arguments of the Parties; and

WHEREAS, all capitalized terms contained herein shall have the same meanings as set forth in the Agreement (in addition to those capitalized terms defined herein);

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

1. This Court has jurisdiction over the subject matter of the Action, and the Parties to the Agreement agreed to submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Agreement.

2. The Court does hereby preliminarily approve the Agreement and the Settlement set forth therein, subject to further consideration at the Settlement Hearing (as defined below).

3. A hearing (the “Settlement Hearing”) shall be held before this Court on \_\_\_\_\_, 2018, at \_\_\_\_\_.m. [a date at least 45 calendar days from the entry of this Preliminary Approval Order] at the United States District Court for the Northern District of Georgia, Richard B. Russell Federal Building and United States Courthouse, 75 Ted Turner Drive SW, Atlanta, GA 30303-3309, Courtroom 1907, to (i) determine whether the proposed Settlement of the Action on the terms and conditions provided for in the Agreement is fair, reasonable, and adequate and in the best interests of SunTrust and its shareholders; (ii) hear and rule on any objections to the proposed Settlement, the proposed Order and Final Judgment, and the proposed Fee and Expense Award; (iii) determine whether to approve the Fee and Expense Award; and (iv) determine whether the Court should enter the Order

and Final Judgment, attached as Exhibit D to the Agreement, which would dismiss with prejudice the Action and release the Released Claims.

4. The Court reserves the right to adjourn the date of the Settlement Hearing or modify any other dates set forth herein without further notice to Current SunTrust Shareholders, and retains jurisdiction to consider all further applications arising out of or connected with the Settlement.

5. Within fifteen (15) business days after the entry of this Order, SunTrust shall cause a notice of the Settlement Hearing, in substantially the form attached as Exhibit C to the Agreement (the "Notice"), and a copy of the Agreement to be posted on the investor relations page of SunTrust's website for thirty (30) calendar days. Plaintiff's Counsel shall cause the Notice and a copy of the Agreement to be posted on the website of WeissLaw LLP for thirty (30) calendar days. Additionally, within fifteen (15) business days after the entry of this Order, SunTrust shall cause a Summary Notice, in substantially the form attached as Exhibit B to the Agreement, to be published once in *Investor's Business Daily*.

6. The form and method of notice provided in the preceding paragraph is the best notice practicable, constitutes due and sufficient notice of the Settlement Hearing to all persons entitled to receive such a notice, and meets the requirements

of Federal Rule of Civil Procedure 23.1, the United States Constitution, and other applicable law.

7. At least twenty-one (21) calendar days prior to the Settlement Hearing, Defendants' counsel shall serve on Plaintiff's Counsel and file with the Court proof, by affidavit or declaration, of posting and publication of the Notices.

8. At least twenty-one (21) calendar days prior to the Settlement Hearing, Plaintiff's Counsel shall serve on Defendants' counsel and file with the Court proof, by affidavit or declaration, of posting of the Notice.

9. All papers in support of the Settlement and the Fee and Expense Award shall be filed with the Court and served at least fourteen (14) calendar days prior to the Settlement Hearing. The Parties shall file with the Court and serve responses to any objections filed pursuant to Paragraph 10 below at least five (5) calendar days prior to the Settlement Hearing.

10. Any Current SunTrust Shareholder may object to the Settlement of the Action, the proposed Order and Final Judgment, and/or the proposed Fee and Expense Award, and may also (but need not) appear in person or by his, her, or its attorney at the Settlement Hearing. To object, such shareholders must submit copies of: (a) a written statement identifying such person's or entity's name, address, and telephone number, and, if represented by counsel, the name, address,

and telephone number of counsel; (b) proof of current ownership of SunTrust common stock, including the number of shares of SunTrust common stock and the date or dates of purchase; (c) a written statement explaining the person's or entity's objection and the reasons for such objection; and (d) any documentation in support of such objection. Any objection should not exceed twenty-five (25) pages in length. If the Shareholder wishes to appear at the Settlement Hearing, he, she, or it must also include a statement of intention to appear at the Settlement Hearing. Such materials must be filed with the Clerk of the United States District Court for the Northern District of Georgia – Atlanta Division and sent by first class mail to the following addresses and postmarked at least ten (10) calendar days before the Settlement Hearing:

WEISSLAW LLP  
David C. Katz  
1500 Broadway  
New York, NY 10036 -and-

LAW OFFICES OF DAVID A. BAIN LLC  
David A. Bain  
1050 Promenade II  
1230 Peachtree Street, NE  
Atlanta, GA 30309

*Counsel for Plaintiff*

TROUTMAN SANDERS LLP  
J. Timothy Mast  
600 Peachtree Street, Suite 3000  
Atlanta, GA 30308 -and-

CABANISS, JOHNSTON, GARDNER,  
DUMAS & O'NEAL LLP  
Crawford S. McGivaren, Jr.  
2001 Park Place North, Suite 700  
Birmingham, AL 35203

*Counsel for Defendants*

Any person or entity who fails to object in the manner described above shall be: (i) deemed to have waived any objection to the Settlement, Order and Final Judgment, and the Fee and Expense Award; (ii) barred from raising such objection in this Action or any other action or proceeding related thereto; and (iii) bound by the Order and Final Judgment and the releases of claims therein.

11. Pending final determination of whether the Settlement should be approved, all proceedings in the Action and all further activity between the Parties regarding or directed toward the Action, save for those activities and proceedings relating to the Agreement and the Settlement, shall be stayed.

12. Pending the Effective Date of the Agreement or the termination of the Agreement according to its terms, Current SunTrust Shareholders and/or any SunTrust Shareholder derivatively on behalf of SunTrust are barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the

commencement or prosecution of any action asserting any Released Claims against any Released Person.

13. The Court may approve the Settlement, with such modifications as may be agreed to by the Parties, if appropriate, without further notice to Current SunTrust Shareholders.

14. All Current SunTrust Shareholders shall be bound by all orders, determinations, and judgments in the Action concerning the Settlement, whether favorable or unfavorable to SunTrust's shareholders.

15. The provisions contained in the Agreement (including any exhibits attached hereto) shall not be deemed a presumption, concession, or admission by any Party of any fault, liability, or wrongdoing, or lack of merit as to any facts or claims alleged or asserted in the Action or in any other action or proceeding, and shall not be interpreted, construed, deemed, invoked, offered, or received into evidence or otherwise used by any person in the Action or in any other action or proceeding, whether civil, criminal, or administrative, except in connection with any proceeding to enforce the terms of the Settlement. The Parties and the Released Persons may file the Agreement 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, full faith and

credit, release, good faith settlement, judgment bar, or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

16. In the event that the Agreement or Settlement is not approved by the Court, or the Settlement is terminated for any reason, the Parties shall be restored to their respective positions in the Action as of the last date before the Agreement, and all negotiations, proceedings, documents prepared, and statements made in connection herewith shall be without prejudice to the Parties, shall not be deemed or construed to be an admission by any Party of any act, matter, or proposition, and shall not be used in any manner for any purpose in any subsequent proceeding in the Action or in any other action or proceeding. In such event, the terms and provisions of the Agreement shall have no further force and effect with respect to the Parties and shall not be used in the Action or in any other proceeding for any purpose, and any judgment or orders entered by the Court in accordance with the terms of the Agreement shall be treated as vacated, *nunc pro tunc*.

IT IS SO ORDERED.

DATED: July \_\_, 2018

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The Honorable Steve C. Jones  
United States District Judge

# **EXHIBIT B**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

LR TRUST, derivatively on behalf of  
SUNTRUST BANKS, INC.,

Plaintiff,

v.

WILLIAM H. ROGERS, JR., PAUL R.  
GARCIA, M. DOUGLAS IVESTER,  
KYLE PRECHTL LEGG, DONNA S.  
MOREA, DAVID M. RATCLIFFE,  
FRANK P. SCRUGGS, JR., THOMAS  
R. WATJEN, DR. PHAIL WYNN, JR.,  
ROBERT M. BEALL, II, DAVID H.  
HUGHES, WILLIAM A.  
LINNENBRINGER, JEROME T.  
LIENHARD II,

Defendants,

and

SUNTRUST BANKS, INC., a Georgia  
corporation,

Nominal Defendant.

CIVIL ACTION NO.  
1:16-CV-04132-SCJ

**TO: ALL CURRENT RECORD HOLDERS AND BENEFICIAL OWNERS  
OF COMMON STOCK OF SUNTRUST BANKS, INC.  
("SUNTRUST") AS OF JULY 24, 2018**

**PLEASE READ THIS SUMMARY NOTICE CAREFULLY AND IN  
ITS ENTIRETY AS YOUR RIGHTS MAY BE AFFECTED BY  
PROCEEDINGS IN THE LITIGATION.**

**YOU ARE HEREBY NOTIFIED** that the above-captioned shareholder derivative action (the “Action”), is being settled on the terms set forth in the Stipulation of Settlement and Release Agreement dated July 24, 2018 (the “Agreement” or “Settlement”). The Agreement fully, finally, and forever resolves, discharges, and settles the Action and any claims that may or could arise out of the Plaintiff’s Demand on the SunTrust Board of Directors arising out of the lending practices of SunTrust’s wholly-owned subsidiary, SunTrust Mortgage, Inc. (“STM”) or the underlying litigation or government investigations raised by the Demand and the Action. This Summary Notice is provided by order of the United States District Court for the Northern District of Georgia (the “Court”).

The Action alleges claims against each of the Individual Defendants<sup>1</sup> for breach of fiduciary duties, gross mismanagement, and unjust enrichment in connection with the lending practices of STM and certain related litigation or government investigations involving SunTrust. Pursuant to the terms of the Settlement set forth in the Agreement, SunTrust agrees to adopt and/or maintain certain Corporate Governance Reforms through March 31, 2021, subject to certain terms and conditions set forth in the Agreement. The Defendants also agreed to cause an award of attorneys’ fees and expenses to be paid to Plaintiff’s Counsel in the total amount of \$585,000 (the “Fee and Expense Award”), subject to approval of the Court. The Individual Defendants have denied, and continue to deny, each and all of the claims and allegations of wrongdoing asserted in the Action. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the text of the Agreement.<sup>2</sup>

On \_\_\_\_\_, 2018, at \_\_\_\_\_ .m., a hearing (the “Settlement Hearing”) will be held at the United States District Court for the Northern District of Georgia, Richard B. Russell Federal Building and United States Courthouse, 75 Ted Turner Drive SW, Atlanta, GA 30303-3309, Courtroom 1907, to determine whether the proposed Settlement on the terms and conditions provided for in the Agreement is fair, reasonable, and adequate, including the separately negotiated Fee and Expense Award, and should be approved; hear and rule on any objections thereto; and determine whether the Order and Final Judgment should be entered.

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<sup>1</sup> Unless otherwise defined, all capitalized terms used herein shall have the meanings set forth in the Agreement.

<sup>2</sup> A copy of the Agreement has been filed with the Court and may also be viewed at [www.weisslawllp.com/suntrust-banks-inc-settlement/](http://www.weisslawllp.com/suntrust-banks-inc-settlement/).

This Summary Notice provides a condensed overview of certain provisions of the Agreement and the full Notice of Proposed Settlement (the “Full Notice”). It is not a complete statement of the events of the Action or the Demand, or the terms set forth in the Agreement. For additional information about the claims asserted in the Action, the allegations raised in the Demand, and the terms of the proposed Settlement, you may inspect the Agreement and other papers filed in the Action at the U.S. District Court Clerk’s office at any time during regular business hours. In addition, copies of the Agreement and the Full Notice are available on the investor relations section of the Company’s website. Inquiries regarding the proposed Settlement also may be made to counsel for the Plaintiff: David C. Katz, WeissLaw LLP, 1500 Broadway, New York, NY 10036, (212) 682-3025; or David A. Bain, Law Offices of David A. Bain LLC, 1050 Promenade II, 1230 Peachtree Street, NE, Atlanta, GA 30309, (404) 724-9990.

You may enter an appearance before the Court, at your own expense, individually or through counsel of your choice. If you want to object at the Settlement Hearing, you must be a Current SunTrust Shareholder and you must first comply with the procedures for objecting, which are set forth in the Agreement and its accompanying exhibits, including the Full Notice. **Any objection to any aspect of the Settlement must be filed with the Clerk of the Court no later than [a date ten calendar days before the Settlement Hearing],** in accordance with the procedures set forth in the Agreement and the full Notice. Any objection may not exceed twenty-five (25) pages in length. Any Current SunTrust Shareholder who fails to object in accordance with such procedures will be bound by the Order and Final Judgment of the Court granting final approval to the Settlement, and shall be deemed to have waived the right to object (including the right to appeal) and forever shall be barred, in this proceeding or in any other proceeding, from raising such objection.

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK’S OFFICE REGARDING THIS SUMMARY NOTICE.**

# **EXHIBIT C**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

LR TRUST, derivatively on behalf of  
SUNTRUST BANKS, INC.,

Plaintiff,

v.

WILLIAM H. ROGERS, JR., PAUL R.  
GARCIA, M. DOUGLAS IVESTER,  
KYLE PRECHTL LEGG, DONNA S.  
MOREA, DAVID M. RATCLIFFE,  
FRANK P. SCRUGGS, JR., THOMAS  
R. WATJEN, DR. PHAIL WYNN, JR.,  
ROBERT M. BEALL, II, DAVID H.  
HUGHES, WILLIAM A.  
LINNENBRINGER, JEROME T.  
LIENHARD II,

Defendants,

and

SUNTRUST BANKS, INC., a Georgia  
corporation,

Nominal Defendant.

CIVIL ACTION NO.  
1:16-CV-04132-SCJ

**NOTICE OF PROPOSED SETTLEMENT**

**TO: ALL CURRENT RECORD HOLDERS AND BENEFICIAL OWNERS  
OF COMMON STOCK OF SUNTRUST BANKS, INC. (“SUNTRUST”  
OR THE “COMPANY”) AS OF JULY 24, 2018 (“CURRENT  
SUNTRUST SHAREHOLDERS”) (EXCLUDING DEFENDANTS)  
AND THEIR SUCCESSORS-IN-INTEREST.**

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT AND DISMISSAL OF SHAREHOLDER DERIVATIVE LITIGATION AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS. YOUR RIGHTS MAY BE AFFECTED BY LEGAL PROCEEDINGS IN THIS ACTION.**

**PLEASE NOTE THAT THIS IS A DERIVATIVE ACTION BROUGHT BY A SHAREHOLDER FOR THE BENEFIT OF THE COMPANY, NOT A “CLASS ACTION,” AND NO INDIVIDUAL SHAREHOLDER HAS THE RIGHT TO BE COMPENSATED AS A RESULT OF THE SETTLEMENT OF THIS ACTION.**

YOU ARE HEREBY NOTIFIED, pursuant to an order of the United States District Court for the Northern District of Georgia (the “Court”) that a proposed Settlement<sup>1</sup> has been reached between and among the parties to a shareholder derivative action styled *LR Trust v. Rogers*, Civil Action No. 1:16-CV-04132-SCJ (the “Action”). The Agreement fully, finally, and forever resolves, discharges, and settles the Action and any claims that may or could arise out of the Plaintiff’s Demand or any other demand on the SunTrust Board of Directors arising out of the lending practices of SunTrust’s wholly-owned subsidiary, SunTrust Mortgage, Inc. (“STM”) or the underlying litigation or government investigations raised by the Demand and the Action. This Notice is not an expression of any opinion by the Court with respect to the truth of the allegations in the Action or the Demand or the merits of the claims or defenses asserted by or against any party. It is solely to notify you of the terms of the proposed Settlement, and your rights related thereto. The terms of the proposed Settlement of the Action are set forth in a Stipulation of Settlement and Release Agreement dated July 24, 2018 (the “Agreement” or “Settlement” or “Stipulation”). This summary should be read in conjunction with, and is qualified in its entirety by reference to, the text of the Agreement, which has been filed with the Court and is attached hereto.

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<sup>1</sup> All capitalized terms herein have the same meanings as set forth in the Agreement.

## **I. WHY THE COURT HAS ISSUED THIS NOTICE**

Your rights may be affected by the Settlement of the Action and the Demand. The parties to the Action and the Demand have agreed upon terms to settle those matters and have signed the Agreement setting forth the Settlement terms.

## **II. SUMMARY OF THE SHAREHOLDER MATTERS SUBJECT TO THE SETTLEMENT**

On September 26, 2014, the LR Trust, through its counsel, sent a demand letter (the “Demand”) to SunTrust’s Board of Directors requesting an investigation into the lending practices of SunTrust’s wholly-owned subsidiary, SunTrust Mortgage, Inc. (“STM”). In response to Plaintiff’s Demand, the independent members of SunTrust’s Board of Directors appointed Messrs. Scruggs, Ratcliffe, and Garcia to serve as a Demand Review Committee (“DRC”) and vested in them full, final, and binding authority to investigate, review, and analyze the claims raised in Plaintiff’s Demand and determine whether it was in the best interest of the Company to pursue any claim based on the matters raised therein. The DRC engaged well-qualified independent counsel, Cabaniss, Johnston, Gardner, Dumas & O’Neal LLP (“Cabaniss Johnston”), to assist in the review and investigation of the issues raised in Plaintiff’s Demand. Plaintiff, through its counsel, communicated with the DRC and provided its views as to the claims at issue and the information it believed to be relevant, and Plaintiff’s input was considered by the DRC.

Following its extensive, thorough, and independent investigation assisted by its well-qualified independent counsel, Cabaniss Johnston, the DRC determined that it was not in SunTrust’s best interest to bring or pursue any litigation or other action based on Plaintiff’s Demand. On November 11, 2015, the DRC notified Plaintiff’s counsel of its determination. On January 8, 2016, upon Plaintiff’s execution of an appropriate confidentiality agreement, the DRC provided Plaintiff with a copy of their 176-page report, together with the exhibits thereto, related to the DRC’s independent investigation and findings.

On November 3, 2016, Plaintiff filed a Verified Shareholder Derivative Complaint (the “Complaint”) in the Northern District of Georgia, captioned *LR Trust v. Rogers, et al.*, Civil Action No. 1:16-CV-04132-SCJ. The Complaint alleged claims on behalf of SunTrust against the Individual Defendants for breach of fiduciary duties, gross mismanagement, and unjust enrichment. Plaintiff sought on

behalf of SunTrust, among other things, monetary damages and certain corporate governance reforms.

On February 15, 2017, the Individual Defendants and the Company (collectively, the “Defendants”), filed Motions to Dismiss the Complaint for failure to state a claim under Federal Rules of Civil Procedure 12(b)(6) and 23.1. The Company also sought dismissal under O.C.G.A. § 14-2-744. Plaintiff opposed the Motions to Dismiss.

On September 19, 2017, the Court granted Defendants’ Motions to Dismiss and held that the derivative proceeding was subject to dismissal under O.C.G.A. § 14-2-744 (the “Dismissal Order”). The Court entered a judgment dismissing with prejudice all claims considered and recommended for dismissal by the DRC. The Court dismissed without prejudice those claims that had been deferred by the DRC.

On October 16, 2017, Plaintiff filed its Notice of Appeal to the United States Court of Appeals for the Eleventh Circuit.

On November 15, 2017, pursuant to Fed. R. App. P. 33 and 11th Cir. R. 33-1, the Eleventh Circuit directed the parties to participate in a mediation with one of the Eleventh Circuit’s experienced mediators, Clifford Altekruze, through the Kinnard Mediation Center. Over the course of six months, the parties held multiple negotiation sessions with the assistance of Mr. Altekruze and, ultimately, the Parties reached an agreement on the principal terms of Settlement. Thereafter, over the course of two months, the parties separately negotiated, with the assistance of Mr. Altekruze, the amount to be paid to Plaintiff’s counsel for their fees and reimbursement of expenses, subject to Court approval (the “Fee and Expense Award”).

### **III. TERMS OF THE PROPOSED SETTLEMENT**

The principal terms, conditions, and other matters that are part of the Settlement are subject to approval by the Court and a number of other conditions. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the text of the Agreement, which has been filed with the Court and may be viewed via the investor relations section of the Company’s website and at [www.weisslawllp.com/suntrust-banks-inc-settlement/](http://www.weisslawllp.com/suntrust-banks-inc-settlement/). As set forth therein, SunTrust acknowledges that the investigation by the DRC, which thoroughly

reviewed the corporate governance and internal control changes made by SunTrust during the relevant time period, and with which Plaintiff communicated, was valuable and beneficial to the Company. SunTrust further acknowledges that various enumerated personnel changes were valuable and beneficial to the Company. Finally, the terms of the Settlement include the Company's adoption and/or maintenance of the following corporate governance measures, through March 31, 2021, unless it is earlier determined by (a) the Board of Directors that the measure is no longer in the best interest of the Company; or (b) the Company that it reasonably believes that removal, modification, or alteration of the measures are necessary to ensure compliance with applicable law or regulation.

1. SunTrust will monitor and periodically assess its underwriting guidelines and whether those guidelines comply with applicable laws and regulations;

2. SunTrust will maintain the position of a chief compliance officer ("Chief Compliance Officer");

3. The Chief Compliance Officer will have substantial knowledge of, and experience with, ethics and compliance standards;

4. The Chief Compliance Officer shall provide to the Risk Committee a quarterly report summarizing material compliance issues, control lapses and/or related risk exposures identified by management, the status of remedial measures associated with such compliance issues, and training statistics, and, at least annually, shall review and/or approve the Company's compliance policies;

5. The Chief Compliance Officer will provide periodic reports of relevant material issues and related remedial steps to the Risk Committee, as necessary and appropriate;

6. The minutes of the Risk Committee meetings shall reflect the fact that such updates and written reports were made, and the written reports and related documentation provided to the Risk Committee shall be maintained in accordance with relevant document retention provisions, including Federal Reserve Board rules regarding confidentiality, applicable to the Risk Committee minutes;

7. The Chief Compliance Officer shall have the authority: (a) to take or direct any necessary and appropriate corrective or remedial action, including notifying the SEC and the United States Department of Justice, if he or she finds that SunTrust is materially out-of-compliance with any laws or regulations under which the Company operates, and (b) to direct steps to maintain or implement effective internal compliance-related controls; and

8. The Chief Compliance Officer shall coordinate internal director education seminars regarding relevant compliance standards, procedures and enforcement activities, including related controls, and material updates or changes to key laws and regulations under which the Company operates.

#### **IV. DISMISSAL OF ACTION AND RELEASE OF CLAIMS**

The Agreement also provides for the entry of judgment dismissing the Action on the merits with prejudice and the full and final discharge and settlement of the Action and any claims that may or could arise out of the Plaintiff's Demand on the SunTrust Board of Directors arising out of the lending practices of STM or the underlying litigation or government investigations raised by the Demand and the Action, and certain additional releases as detailed in the Agreement.

#### **V. PLAINTIFF'S ATTORNEY FEES AND EXPENSES**

In recognition of the foregoing, and subject to Court approval, SunTrust agreed to pay or cause to be paid the Fee and Expense Award in the amount of \$585,000. To date, Plaintiff's Counsel have not received any payments for their efforts on behalf of SunTrust and its shareholders. Any fee awarded by the Court is designed to compensate Plaintiff's Counsel for the results achieved on behalf of the Company in response to the Action and the Demand, and the costs associated with development, prosecution, and settlement of the Action and the Demand. The Fee and Expense Award was separately negotiated with the help of the mediator and was the result of arm's-length negotiation between the Parties conducted after reaching the principal terms of Settlement.

#### **VI. REASONS FOR THE SETTLEMENT**

The Parties have determined that it is desirable and beneficial that the Action and the Demand, and all of their disputes related thereto, be fully and finally settled in the manner and upon the terms and conditions set forth in the Agreement.

### **A. Why Did the Shareholders Agree to Settle?**

Plaintiff believes that the claims asserted in the Action on behalf of SunTrust have merit. Plaintiff and Plaintiff's Counsel, however, recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action and/or any action arising out of the Demand. Plaintiff and Plaintiff's Counsel have also taken into account the uncertain outcome and the risk of continued litigation, especially in light of the Court's Dismissal Order and pending appeal, as well as the difficulties and delays inherent in such complex litigation. In consideration of the mediation that led to the settlement and after weighing the risks of continued litigation, Plaintiff and Plaintiff's Counsel have determined that it is in the best interests of SunTrust and its shareholders that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation, and that these terms and conditions are fair, reasonable, adequate, and confer substantial benefits to SunTrust and its shareholders.

### **B. Why Did the Defendants Agree to Settle?**

The Individual Defendants have denied, and continue to deny, each and all of the allegations made by the Plaintiff in the Action and the Demand and, furthermore, maintain that they have meritorious defenses. The Individual Defendants also have denied and continue to deny, among other allegations, the allegations that SunTrust or any of its shareholders were harmed in any way as a result of the conduct of the Individual Defendants alleged in the Action or the Demand. The Individual Defendants have further asserted and continue to assert that at all times they acted in good faith and in a manner they reasonably believed to be and that was in the best interests of SunTrust and its shareholders. Nonetheless, Defendants have concluded that further litigation may be protracted and expensive and that it is desirable that the Action and the Demand be fully and finally settled in the manner and upon the terms and conditions set forth in the Agreement. Defendants have, therefore, determined that it is desirable that the Action and the Demand be fully and finally settled in the manner and upon the terms and conditions set forth in the Agreement.

## **VII. SETTLEMENT HEARING**

On \_\_\_\_\_, 2018, at \_\_\_\_\_ .m., a hearing (the "Settlement Hearing") will be held at the United States District Court for the Northern District of Georgia, 2188 Richard B. Russell Federal Building and United States Courthouse, 75 Ted Turner

Drive SW, Atlanta, GA 30303-3309, Courtroom 1907, to (i) determine whether the proposed Settlement of the Action and the Demand on the terms and conditions provided for in the Agreement is fair, reasonable, and adequate and in the best interests of SunTrust and its shareholders; (ii) hear and rule on any objections to the proposed Settlement, the proposed Order and Final Judgment, and the proposed Fee and Expense Award; (iii) determine whether to approve the Fee and Expense Award; and (iv) determine whether the Court should enter the Order and Final Judgment, attached as Exhibit D to the Agreement, which would dismiss with prejudice the Action and release the Released Claims. If the Settlement is approved, you will be subject to and bound by the provisions of the Agreement, the releases contained therein, and by all orders, determinations, and judgments, including the Order and Final Judgment, concerning the Settlement, whether favorable or unfavorable to you or SunTrust.

Pending final determination of whether the Settlement should be approved, no SunTrust shareholder, either directly, representatively, derivatively, or in any other capacity, shall commence or prosecute against any of the Released Persons, an action or proceeding in any court, administrative agency, or other tribunal asserting any of the Released Claims.

### **VIII. RIGHT TO ATTEND FINAL HEARING**

You may enter an appearance in the Action, at your own expense, individually or through counsel of your choice. If you want to object at the Final Hearing, then you must first comply with the procedures for objecting, which are set forth below. The Court has the right to change the hearing dates or times without further notice. Thus, if you are planning to attend the Final Hearing, you should confirm the date and time before going to the Court. If you have no objection to the Settlement, you do not need to appear at the Settlement Hearing or take any other action.

### **IX. THE PROCEDURES FOR OBJECTING TO THE SETTLEMENT**

Any Current SunTrust Shareholder may object to the Settlement of the Action and the Demand, the proposed Order and Final Judgment, and/or the proposed Fee and Expense Award, and may also (but need not) appear in person or by his, her, or its attorney at the Settlement Hearing. To object, such shareholders must submit copies of: (a) a written statement identifying such person's or entity's name, address, and telephone number, and, if represented by counsel, the name, address, and telephone number of counsel; (b) proof of current ownership of SunTrust

common stock, including the number of shares of SunTrust common stock and the date or dates of purchase; (c) a written statement explaining the person's or entity's objection and the reasons for such objection; and (d) any documentation in support of such objection. Any objection should not exceed twenty-five (25) pages in length. If the shareholder wishes to appear at the Settlement Hearing, he, she, or it must also include a statement of intention to appear at the Settlement Hearing. Such materials must be filed with the Clerk of the United States District Court for the Northern District of Georgia and sent by first class mail to the following addresses and postmarked at least ten (10) calendar days before the Settlement Hearing:

WEISSLAW LLP  
David C. Katz  
1500 Broadway  
New York, NY 10036 -and-

LAW OFFICES OF DAVID A. BAIN LLC  
David A. Bain  
1050 Promenade II  
1230 Peachtree Street, NE  
Atlanta, GA 30309

*Counsel for Plaintiff*

TROUTMAN SANDERS LLP  
J. Timothy Mast  
600 Peachtree Street, Suite 3000  
Atlanta, GA 30308 -and-

CABANISS, JOHNSTON, GARDNER,  
DUMAS & O'NEAL LLP  
Crawford S. McGivaren, Jr.  
2001 Park Place North, Suite 700  
Birmingham, AL 35203

*Counsel for Defendants*

Any person or entity who fails to object in the manner described above shall be: (i) deemed to have waived any objection to the Settlement, Order and Final Judgment, and the Fee and Expense Award; (ii) barred from raising such objection in this Action or any other action or proceeding related thereto; and (iii) bound by the Order and Final Judgment and the releases of claims therein.

Current SunTrust Shareholders that have no objection to the Settlement, Order and Final Judgment, and/or Fee and Expense Award do not need to appear at the Settlement Hearing or take any other action.

**X. HOW TO OBTAIN ADDITIONAL INFORMATION**

This Notice summarizes the Agreement. It is not a complete statement of the events of the Action or the Demand, or the terms of the Settlement contained in the Agreement.

Inquiries about the Action, the Demand, or the Settlement may be made to Plaintiff's Counsel: David C. Katz, WeissLaw LLP, 1500 Broadway, New York, NY 10036, (212) 682-3025; or David A. Bain, Law Offices of David A. Bain LLC, 1050 Promenade II, 1230 Peachtree Street, NE, Atlanta, GA 30309, (404) 724-9990.

DATED: \_\_\_\_\_, 2018

BY ORDER OF THIS COURT  
UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF GEORGIA

**DO NOT CONTACT THE CLERK OF THE COURT  
REGARDING THIS NOTICE**

# **EXHIBIT D**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

LR TRUST, derivatively on behalf of  
SUNTRUST BANKS, INC.,

Plaintiff,

v.

WILLIAM H. ROGERS, JR., PAUL R.  
GARCIA, M. DOUGLAS IVESTER,  
KYLE PRECHTL LEGG, DONNA S.  
MOREA, DAVID M. RATCLIFFE,  
FRANK P. SCRUGGS, JR., THOMAS  
R. WATJEN, DR. PHAIL WYNN, JR.,  
ROBERT M. BEALL, II, DAVID H.  
HUGHES, WILLIAM A.  
LINNENBRINGER, JEROME T.  
LIENHARD II,

Defendants,

and

SUNTRUST BANKS, INC., a Georgia  
corporation,

Nominal Defendant.

CIVIL ACTION NO.  
1:16-CV-04132-SCJ

**[PROPOSED] ORDER AND FINAL JUDGMENT**

This matter came before the Court for hearing pursuant to the Order Preliminarily Approving Settlement (“Preliminary Approval Order”) of this Court

dated \_\_\_\_\_, 2018, on the application of Plaintiff for approval of the settlement of this Action as set forth in the Stipulation of Settlement and Release Agreement dated as of July 24, 2018, including all exhibits thereto (the “Agreement”). Due and adequate notice having been given by SunTrust Banks, Inc. (“SunTrust” or the “Company”) and Plaintiff to Current SunTrust Shareholders as required in the Court’s Preliminary Approval Order, and the Court having considered all papers filed and proceedings held herein and otherwise being fully informed, and good cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Order and Final Judgment (“Judgment”) incorporates herein the Agreement, including the exhibits thereto. Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings as set forth in the Agreement.

2. This Court has jurisdiction over the subject matter of the Action, and the Parties to the Agreement have consented to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Agreement.

3. The record shows that Notices have been given to all Current SunTrust Shareholders in the manner approved by the Court in the Preliminary

Approval Order. The Court finds that such Notices: (i) constitute reasonable and the best notice practicable under the circumstances; (ii) constitute notice that was reasonably calculated, under the circumstances, to apprise all Current SunTrust Shareholders who could reasonably be identified of the pendency of the Action, the terms of the Settlement, and Current SunTrust Shareholders' right to object to and to appear at the settlement fairness hearing held on \_\_\_\_\_, 2018 (the "Settlement Hearing"); (iii) constitute due, adequate, and sufficient notice to all persons or entities entitled to receive notice in accordance with Rule 23.1(c) of the Federal Rules of Civil Procedure; and (iv) meet the requirements of due process.

4. In light of the benefits to the Company and the complexity, expense and possible duration of further litigation against the Defendants, the Court hereby fully and finally approves the Settlement, pursuant to Rule 23.1(c), as set forth in the Agreement in all respects, and finds that the Settlement is, in all respects, fair, reasonable, and adequate, and in the best interests of SunTrust and its shareholders. This Court further finds the Settlement set forth in the Agreement was reached under the supervision of an experienced court-appointed mediator and is the result of arm's-length negotiations between experienced counsel representing the interests of SunTrust, SunTrust's shareholders, and the Individual Defendants. The

Court has considered any submitted objections to the Settlement and hereby overrules them.

5. The Parties are hereby directed to implement and consummate the Settlement according to the terms and provisions of the Agreement. The Action and all claims contained therein, as well as all of the Released Claims, are dismissed on the merits and with prejudice. The Parties are to bear their own costs, except as otherwise provided in the Agreement and in this Judgment.

6. The Court finds that during the course of the litigation, the Parties and their respective counsel at all times complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure, and particularly with Rule 11(b) of the Federal Rules of Civil Procedure.

7. Upon the Effective Date, the Releasing Parties shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever waived, released, relinquished, and discharged the Released Claims (including Unknown Claims) against the Released Persons. Nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of the Agreement.

8. Upon the Effective Date, the Released Persons and all Current SunTrust Shareholders shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged

Plaintiff and Plaintiff's Counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement, or resolution of the Demand, the Action or the Released Claims. Nothing herein shall in any way impair or restrict the rights of any Party to enforce the terms of the Agreement.

9. The provisions contained in the Agreement (including any exhibits attached hereto) shall not be deemed a presumption, concession, or admission by any Party of any fault, liability, or wrongdoing, or lack of merit as to any facts or claims alleged or asserted in the Action or in any other action or proceeding, and shall not be interpreted, construed, deemed, invoked, offered, or received into evidence or otherwise used by any person in the Action or in any other action or proceeding, whether civil, criminal, or administrative, except in connection with any proceeding to enforce the terms of the Settlement. The Released Persons, Plaintiff and Plaintiff's Counsel may file the Agreement and/or the 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, full faith and credit, release, good faith settlement, judgment bar, or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

10. The Court hereby approves the Fee and Expense Award in the agreed-upon amount of \$ 585,000, in accordance with the Stipulation, and finds that such fee is fair and reasonable.

11. Payment of the Fee and Expense Award shall be made by SunTrust as specified in Section IV.E.3 of the Agreement within five (5) business days after the date of the entry of this Judgment, notwithstanding the existence of any collateral attacks on the Settlement and/or the Fee and Expense Award, including, without limitation, any objections or appeals.

12. In the event the Judgment fails to become final in accordance with the terms of the Agreement, then it shall be the obligation of Plaintiff's Counsel to make refunds or repayments to the Defendants of any attorneys' fees and expenses previously paid within ten (10) business days from receiving notice from Defendants' counsel or from a court of appropriate jurisdiction. Any attorney who receives any portion of the Fee and Expense Award before the Effective Date of the Agreement shall be subject to the requirement to refund that portion if, and to the extent that, the Fee and Expense Award is reversed or modified on appeal, or if the Effective Date does not occur.

13. Plaintiff and/or any SunTrust stockholder derivatively on behalf of SunTrust are permanently barred and enjoined from commencing, prosecuting,

instigating, or in any way participating in the commencement or prosecution of any action asserting any Released Claims against any Released Person.

14. Without affecting the finality of this Judgment, the Court retains continuing and exclusive jurisdiction over all matters relating to administration, consummation, enforcement, and interpretation of the Agreement, the Settlement, and of this Judgment, to protect and effectuate this Judgment, and for any other necessary purpose. Defendants, Plaintiff, and each Current SunTrust Shareholder are hereby deemed to have irrevocably submitted to the exclusive jurisdiction of this Court, for the purpose of any suit, action, proceeding, or dispute arising out of or relating to the Settlement or the Agreement, including the exhibits thereto, and only for such purposes. Without limiting the generality of the foregoing, and without affecting the finality of this Judgment, the Court retains exclusive jurisdiction over any such suit, action, or proceeding.

15. In the event that the Settlement does not become effective in accordance with the terms of the Agreement, this Judgment shall be vacated, and all orders entered and releases delivered in connection with the Agreement and this Judgment shall be null and void, except as otherwise provided for in the Agreement, and the Parties shall be returned to their respective positions immediately prior to the execution of the Agreement.

16. Judgment shall be, and hereby is, entered dismissing the Action with prejudice and on the merits. The Court finds that this Order and Final Judgment is a final, appealable judgment and should be entered forthwith by the Clerk in accordance with Rule 58 of the Federal Rules of Civil Procedure.

IT IS SO ORDERED.

DATED: \_\_\_\_\_, 2018

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The Honorable Steve C. Jones  
United States District Judge