

# **EXHIBIT 1**



securities laws, for violations of the Indiana Demutualization Law, for negligent misrepresentation with respect to Indiana residents, and for unjust enrichment under Rule 12(b)(6) of the Federal Rules of Civil Procedure.

WHEREAS, on September 25, 2009, Judge David Hamilton certified both the Class and a subclass, which was comprised of those Class Members who received cash proceeds from the demutualization because they were participants in employee benefit plans covered by the federal Employee Retirement Income Security Act, 29 U.S.C. § 1001 *et seq.*

WHEREAS, on September 25, 2009, Judge David Hamilton appointed Mary E. Ormond, Kevin T. Heekin, and Daniel J. Cescato as class representatives for the Class and Daniel J. Cescato as class representative for the ERISA subclass.

WHEREAS, on September 25, 2009, Judge David Hamilton appointed Kathleen A. DeLaney and Edward O. DeLaney of DeLaney & DeLaney, and Eric Zagrans, Dennis Barron, and Michael Becker as counsel for the Class and the ERISA subclass.

WHEREAS, in April 2010, T. David Copley, Cari C. Laufenberg, Lynn Lincoln Sarko of Keller Rohrback, LLC, and H. Laddie Montague, Jr., Todd S. Collins, Peter R. Kahana, and Neil F. Mara of Berger & Montague, P.C., entered their appearances as additional counsel on behalf of Plaintiffs Daniel J. Cescato, Kevin T. Heekin, and Mary E. Ormond.

WHEREAS, the Action was reassigned to Judge Tanya Walton Pratt and, on July 1, 2011, Judge Pratt granted summary judgment to Anthem on all of Plaintiffs' remaining claims except Plaintiffs' tort claims for breach of fiduciary duty and negligence in connection with Anthem's pricing and sizing of the Anthem, Inc. IPO and denied summary judgment to Anthem on its defense that ERISA preemption acted as bar to certain Class Members' claims.

WHEREAS, because Judge Pratt denied summary judgment on Anthem's ERISA preemption defense, Plaintiffs filed a motion to decertify the ERISA subclass and to withdraw Daniel J. Cescato as a class representative for the Class and Judge Pratt granted that motion on May 4, 2012.

WHEREAS, the Parties engaged in extensive discovery over the course of this lawsuit, including expert discovery.

WHEREAS, the Parties engaged in extensive motions practice over the course of this lawsuit, including pretrial *Daubert* motions and motions *in limine*.

WHEREAS, the Parties engaged in two in-person mediation sessions and additional settlement discussions under the direction of The Honorable Edward A. Infante, retired Chief Magistrate Judge of the U.S. District Court, Northern District of California.

WHEREAS, Class Counsel have conducted investigations relating to the claims and the underlying events and transactions alleged in the Action, have analyzed the evidence adduced during pretrial discovery, and have researched the applicable law with respect to Plaintiffs' claims against Defendants and the potential defenses thereto.

WHEREAS, Defendants deny any wrongdoing whatsoever, and this Agreement shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Defendant with respect to any claim of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have asserted or would assert.

WHEREAS, the Parties determined that a resolution of the Action is advisable from the point of view of all Parties.

WHEREAS, based upon their investigation and pretrial discovery as set forth above, the Class Representatives and Class Counsel have concluded that the terms and conditions of this Agreement are fair, reasonable and adequate to Plaintiffs, and are in their best interests, and the Class Representatives have agreed to settle the claims raised in the Action pursuant to the terms and provisions of this Agreement, after considering (a) the substantial benefits that Class Members will receive from a settlement of the Action, (b) the uncertain outcome and attendant risks of litigation, (c) the delays inherent in litigation, and (d) the desirability of permitting the Settlement of this litigation to be consummated as provided by the terms of this Agreement.

WHEREAS, it is the intention of the Parties to resolve the disputes and claims which they have between them on the terms set forth below.

NOW, THEREFORE, the Parties, in consideration of the promises, covenants and agreements herein described and for other good and valuable consideration acknowledged by each of them to be satisfactory and adequate, and intending to be legally bound, do hereby mutually agree as follows:

1. Definitions

As used in this Settlement Agreement, the following terms shall have the meanings indicated:

- 1.1 "Action" means the action captioned as Mary E. Ormond, et al., v. Anthem, Inc., et al., Case No. 1:05-cv-01908-TWP-TAB in the United States District Court for the Southern District of Indiana.
- 1.2 "Administrative Expenses" means all of the expenses incurred in the administration of this Settlement and Plan of Allocation, including, without limitation, all expenses or costs associated with providing notice to the Class, locating Class Members, determining the eligibility of any person to be a Class

Member, and administering, calculating and distributing the Net Settlement Fund to Class Members. Administrative Expenses also include all reasonable third-Party fees and expenses incurred by the Settlement Administrator in administering the terms of this Agreement.

- 1.3 “Agreement” or “Settlement Agreement” means this Settlement Agreement.
- 1.4 “Class” means the class certified in this Action on September 25, 2009 by Judge David Hamilton consisting of “[a]ll former members of Anthem Insurance residing in Ohio, Indiana, Kentucky and Connecticut who received cash compensation in connection with the demutualization of Anthem Insurance on November 2, 2001 and the communities comprised of them and their spouses, if any, excluding (i) all employers located in Ohio and Connecticut that maintained Anthem group health insurance policies on their respective employees and retirees and that received demutualization compensation (the ‘Grandfathered Groups’); (ii) Defendants, their predecessors and successors in interest; (iii) the officers and directors of Defendants, their predecessors and successors; (iv) counsel of record in this action and their respective parents, spouses and children; and (v) judicial officers who enter an order in this action, and their respective parents, spouses and children.” The Class also does not include those Persons who are within the scope of the Class but opted out of the Class prior to this Settlement Agreement.
- 1.5 “Class Counsel” means Kathleen A. DeLaney and Edward O. DeLaney of DeLaney & DeLaney, Eric H. Zagrans of Zagrans Law Firm LLC, Dennis P. Barron, Michael F. Becker of The Becker Law Firm Co., LPA, T. David Copley, Cari C. Laufenberg, and Lynn Lincoln Sarko of Keller Rohrback L.L.P., and H. Laddie Montague, Jr., Todd S. Collins, Peter R. Kahana, and Neil F. Mara of Berger & Montague, P.C.
- 1.6 “Class Member” means any person who is a member of the Class, including but not limited to Daniel J. Cescato and the estate of Mary A. Moore.
- 1.7 “Class Representatives” means Mary E. Ormond and Kevin T. Heekin.
- 1.8 “Class Representatives’ Case Contribution Compensation” means compensation approved by the Court in an amount not to exceed \$25,000 which shall be paid from the Settlement Fund to each Class Representative pursuant to Section 8.2 in recognition of his or her contributions to the litigation and for reimbursement of his or her expenses, if any, if approved by the Court.
- 1.9 “Complaint” means the Fourth Amended Class Action Complaint For Money Damages and Equitable Relief filed on January 26, 2009 in the Action.
- 1.10 “Court” means the United States District Court for the Southern District of Indiana.
- 1.11 “Defendants” or “Anthem” means Anthem Insurance Companies, Inc., and Anthem, Inc.

- 1.12 “Effective Date” means the date upon which the Settlement contemplated by this Agreement shall become effective as set forth in Section 10 hereof.
- 1.13 “Escrow Agent” means Computershare Trust Company, NA.
- 1.14 “Escrow Account” means an interest-bearing account in a federally-insured financial institution established by Class Counsel using an Escrow Agent and escrow agreement that are acceptable to Defendants and under the supervision of the Court. Certain funds may be placed in a non-interest-bearing account during the check-clearing process.
- 1.15 “Final Fairness Hearing” means the hearing to be conducted by the Court to determine the fairness, adequacy and reasonableness of the Settlement pursuant to Rule 23 of the Federal Rules of Civil Procedure and whether to issue the Final Settlement Approval Order and Judgment.
- 1.16 “Final” or “Finality,” with respect to the Final Settlement Approval Order and Judgment means: (1) if no appeal is filed, the first business day after the last date on which any appeal from the Final Settlement Approval Order and Judgment can be timely filed or noticed under the corresponding rules of the applicable court or legislation for filing or noticing appeals; or (2) if there is an appeal from the Order, whether timely or untimely, the first business day after the later of the date on which (a) any appeal from the Final Settlement Approval Order and Judgment is finally dismissed, (b) if the Final Settlement Approval Order and Judgment is affirmed, a petition for a writ of *certiorari* or other form of review is denied or the time for filing such a petition expires, or (c) if *certiorari* or other form of review is granted, final affirmance of the Final Settlement Approval Order and Judgment following review pursuant to that grant is ordered. Any proceeding or order, or any appeal or petition for a writ of *certiorari* or other form of review pertaining solely to any application for attorneys’ fees, costs or expenses shall not in any way delay or preclude the Final Settlement Approval Order and Judgment from becoming Final.
- 1.17 “Final Settlement Approval Order and Judgment” means an Order by the United States District Court for the Southern District of Indiana finally approving the Settlement and the terms of this Agreement substantially in the form attached hereto as Exhibit B and a Judgment dismissing with prejudice Defendants Anthem, Inc. and Anthem Insurance Companies, Inc., substantially in the form attached hereto as Exhibit A.
- 1.18 “Gross Settlement Fund” means (1) the amount of the Settlement Amount; and, (2) any interest on or other income or gains earned while such amount is held by the Escrow Agent.
- 1.19 “Individual Initial Allocation Amount” means the portion of the Net Settlement Fund that the Settlement Administrator determines, pursuant to the terms of this Agreement and the Plan of Allocation, shall be allocated to each Class Member.

- 1.20 “Net Settlement Fund” has the meaning defined in Section 5.1 hereof.
- 1.21 “Notice” means the Notice of Proposed Settlement of Class Action which is to be sent to Class Members substantially in the form attached hereto as Exhibit C-1.
- 1.22 “Parties” means Mary E. Ormond, Kevin T. Heekin, the Class, Anthem Insurance Companies, Inc., and Anthem, Inc.
- 1.23 “Person” means an individual or legal entity or their respective successors or assigns.
- 1.24 “Plan of Allocation” means a plan of allocation of the Net Settlement Fund as proposed by Class Counsel and approved by the Court.
- 1.25 “Plaintiff” or “Plaintiffs” means Mary E. Ormond, Kevin T. Heekin, and the Class.
- 1.26 “Preliminary Settlement Approval Order” means an order by the Court preliminarily approving this Agreement, including the forms and procedure for providing notice to the Class, establishing a procedure for Class Members to follow in order to object to the Settlement set forth in this Agreement, approving the Plan of Allocation, and setting a date for a hearing for final Settlement approval substantially in the form attached as Exhibit C.
- 1.27 “Publication Notice” means the Summary Notice of Proposed Settlement and Hearing for publication substantially in the form attached hereto as Exhibit C-2.
- 1.28 “Released Claim” means any claim, liability, right, demand, suit, obligation, damage, including consequential damages, losses or costs, punitive damages, attorneys’ fees and costs, actions or causes of action, of every kind or description that the Plaintiffs have, had, or may have against the Released Parties, whether known or Unknown (as the term “Unknown Claims” is defined herein), suspected or unsuspected, asserted or unasserted, accrued or which may hereafter accrue, regardless of legal or equitable theory and the type of relief or damages claimed, based upon, arising out of, or related in any way to Anthem Insurance Companies, Inc.’s 2001 demutualization, the initial public offering of Anthem, Inc. securities in 2001, or the proceeds of said demutualization and initial public offering, including but not limited to any claims that were or could have been asserted in the Action. “Released Claim” does not include all claims, rights or causes of action or liabilities whatsoever related to the enforcement of the Settlement, including, without limitation, any of the terms of this Agreement or orders or judgments issued by the courts in connection with the Settlement, or any health-related claims of an insured arising out of the insurance coverage of any Class Member.
- 1.29 “Released Parties” means Anthem Insurance Companies, Inc., and Anthem, Inc., and their past, present, and future successors, predecessors, parents, related organizations, subsidiaries, divisions, departments, or affiliates and any of their

past, present, and future officers, directors, stockholders, partners, agents, attorneys, servants, subrogees, insurers, employees, representatives, assigns, consultants, principals, and advisors.

- 1.30 “Settlement” means the settlement of the Action by and between the Parties, and the terms thereof as stated in this Settlement Agreement.
- 1.31 “Settlement Administrator” means a firm engaged by Class Counsel and appointed by the Court to perform duties including but not limited to provision of notice to the Class, calculation and distribution of Individual Initial Allocation Amounts, and preparation of or provision of information for tax-related documents.
- 1.32 “Settlement Amount” means Ninety Million United States Dollars (\$90,000,000) that Defendants shall pay into the Escrow Account pursuant to the terms of this Agreement.
- 1.33 “Taxes” means (i) any and all applicable taxes, duties and similar charges imposed by a government authority (including any estimated taxes, interest or penalties) arising in any jurisdiction, if any (A) with respect to the income or gains earned by or in respect of the Gross Settlement Fund, including, without limitation, any taxes that may be imposed upon Defendants or their counsel with respect to any income or gains earned by or in respect of the Gross Settlement Fund for any period while it is held by the Escrow Agent during which the Gross Settlement Fund does not qualify as a Qualified Settlement Fund for federal or state income tax purposes; or (B) by way of withholding as required by applicable law on any distribution by the Escrow Agent or the Settlement Administrator of any portion of the Gross Settlement Fund to Class Members and other persons entitled hereto pursuant to this Agreement; and (ii) any and all expenses, liabilities and costs incurred in connection with the taxation of the Gross Settlement Fund (including without limitation, expenses of tax attorneys and accountants). For the purposes of (A) in this paragraph taxes imposed on Defendants shall include amounts equivalent to taxes that would be payable by Defendants but for the existence of relief from taxes by virtue of loss carry forwards or other tax attributes, determined by Defendants, acting reasonably, and accepted by the Escrow Agent, acting reasonably.
- 1.34 “Unknown Claims” means any and all Released Claims that any of the Plaintiffs does not know or suspect to exist in his, her, or its favor as of the Effective Date and which, if known by him, her or it, might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that upon the Effective Date, Plaintiffs shall have waived any and all provisions, rights and benefits conferred by any law of any state of the United States, or principle of common law or otherwise, which is similar, comparable, or equivalent to Cal. Civ. Code § 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.

Class Representatives and Class Counsel acknowledge, and each Class Member by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims was separately bargained for and was a key element of the Settlement.

2. Settlement Purposes Only

2.1 This Agreement is for settlement purposes only, and to the fullest extent permitted by law, neither the fact of, nor any provision contained in this Agreement, nor any actions taken hereunder, shall constitute, be construed as, or used as, or be admissible in evidence as, an admission of the validity of any claim or any fact alleged by Plaintiffs in this action or in any other pending or subsequently filed action, or of any wrongdoing, fault, violation of laws, or liability of any kind on the part of Defendants, or admission by any of the Parties of the validity, or lack thereof, of any claim, allegation or defense asserted in this action or any other action.

2.2 Class Representatives, Defendants, and their respective counsel shall limit public comments regarding the terms of the Settlement to disclosure of such information as is necessary to implement this Agreement, except that they may issue press releases in connection with the filing of the motion for preliminary approval of this Settlement. These press releases shall form the basis of any statements made in response to any inquiries about the Settlement. The Parties shall exchange drafts of such proposed press releases 48 hours in advance of publication and provide the opposing Party with a meaningful opportunity to comment on the draft press releases. Notwithstanding the foregoing, the Class Representatives, Defendants, and their respective counsel also may disclose additional information about the Settlement as necessary (a) to accountants, insurers, regulators, analysts, investors, customers, brokers, and Class Members and (b) to comply with federal and state law disclosure requirements or any other requirement of law.

3. Representations

3.1 Each Party represents that (i) such Party has full legal right, power and authority to enter into and perform this Agreement, subject to Court approval, (ii) the execution and delivery of this Agreement by such Party and the consummation by such Party of the transactions contemplated by this Agreement have been duly authorized by such Party, (iii) this Agreement constitutes a valid, binding and enforceable agreement, and (iv) such Party has not assigned any of the claims referred to herein to any other person or entity and no consent or approval of any person or entity is necessary for such Party to enter into this Agreement.

4. Settlement Consideration

- 4.1 In consideration for the release and discharge provided herein, the Defendants shall pay the Settlement Amount into the Escrow Account.
- 4.2 Defendants shall deposit the Settlement Amount into the Escrow Account within ten (10) business days after the date on which the Preliminary Settlement Approval Order is entered by the Court. Defendants shall have no obligation to pay any amount other than the Settlement Amount in connection with this Settlement, including but not limited to Plaintiffs' attorneys' fees and expenses, Administrative Expenses, claim expenses, notice expenses, mailing or postage, regardless of whether or not such amounts are payable out of the Gross Settlement Fund.
- 4.3 In the event the Court does not issue a Final Settlement Approval Order and Judgment or if the Final Settlement Approval Order and Judgment is overturned on appeal, all of the funds in the Escrow Account not previously spent or committed pursuant to Sections 1.2 and 6.2, shall be returned to the Defendants, including interest earned thereon.

5. Settlement Fund Investment and Taxes

- 5.1 The Gross Settlement Fund shall be used to pay (i) the Notice, Publication Notice and other Administrative Expenses referred to in Section 1.2 hereof; and (ii) the attorneys' fee and expense award and the Class Representatives' Case Contribution Compensation referred to in Sections 8.1 and 8.2 hereof. The balance of the Gross Settlement Fund (inclusive of interest earned) after the matters described in clauses (i) and (ii) of this paragraph and after the payment of any Taxes (as defined herein) shall be the Net Settlement Fund. All funds held by the Escrow Agent shall be deemed to be in the custody of the Court until such time as the funds shall be distributed to the Class Members or otherwise disbursed pursuant to the Plan of Allocation to be proposed by Class Counsel and approved by the Court, and/or further order of the Court. No distributions shall be made from the Net Settlement Fund except in compliance with the provisions of Section 9 hereof and the Plan of Allocation, as approved by the Court.
- 5.2 No amounts may be withdrawn from the Escrow Account unless (a) expressly authorized by the Settlement Agreement, Plan of Allocation or (b) approved by the Court.
- 5.3 The Escrow Agent shall invest all funds solely in accounts at Bank of America, each account fully-insured by the Federal Deposit Insurance Corporation (FDIC), or short term instruments backed 100% by the full faith and credit of the United States Government. The Escrow Agent shall only invest the funds in accounts or instruments that Plaintiffs believe in good faith will not lose value of principal. The Escrow Agent shall pay interest on the funds at a rate equal to the greater of 10 basis points per annum or the rate achievable on short-term treasury bills.

- 5.4 The Parties hereto agree that the Gross Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1, and that the Escrow Agent as administrator of the Gross Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be responsible, with the assistance of the Settlement Administrator, for filing tax returns and any other tax reporting for or in respect of the Gross Settlement Fund and paying from the Gross Settlement Fund any Taxes owed with respect to the Gross Settlement Fund. The Parties hereto agree that the Gross Settlement Fund shall be treated as a Qualified Settlement Fund from the earliest date possible, and agree to any relation-back election required to treat the Gross Settlement Fund as a Qualified Settlement Fund from the earliest date possible.
- 5.5 All Taxes (as defined herein) shall be paid out of the Gross Settlement Fund, shall be considered to be a cost of administration of the Settlement and shall be timely paid by the Escrow Agent without prior Order of the Court. The Gross Settlement Fund or the Escrow Agent shall, to the extent required by law, be obligated to withhold from any distributions to Class Members and other persons entitled thereto pursuant to this Agreement any funds necessary to pay Taxes including the establishment of adequate reserves for Taxes as well as any amount that may be required to be withheld under Treasury Reg. 1.468B-(1)(2) or otherwise under applicable law in respect of such distributions. Further, the Gross Settlement Fund shall indemnify and hold harmless the Parties and their counsel for Taxes (including, without limitation, taxes payable by reason of any such indemnification payments).
- 5.6 The Parties and their respective counsel have made no representation or warranty with respect to the tax treatment by any Class Representative or any Class Member of any payment or transfer made pursuant to the Plan of Allocation or derived from or made pursuant to the Settlement Fund.
- 5.7 Each Class Representative and Class Member shall be solely responsible for the federal, state and local tax consequences to him, her or it of the receipt of funds from the Net Settlement Fund pursuant to the Plan Allocation and, if applicable, the Class Representatives' Case Contribution Compensation.
- 5.8 The Defendants and their counsel shall not have any responsibility for or liability whatsoever with respect to (i) any act, omission or determination of Class Counsel, the Escrow Agent or the Settlement Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment or distribution of the Gross Settlement Fund; (iii) the formulation, design or terms of the Plan of Allocation; (iv) the determination, administration, calculation or payment of any claims asserted against the Gross Settlement Fund; (v) any losses suffered by, or fluctuations in the value of the Gross Settlement Fund; or (vi) the payment or withholding of any Taxes, expenses and/or costs incurred in connection with the taxation of the Gross Settlement Fund or the filing of any returns.

5.9 The Class Representatives and Class Counsel shall not have any responsibility for or liability whatsoever with respect to (i) any act, omission or determination of the Escrow Agent or the Settlement Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment or distribution of the Gross Settlement Fund; (iii) the formulation, design or terms of the Plan of Allocation; (iv) the determination, administration, calculation or payment of any claims asserted against the Gross Settlement Fund; (v) any losses suffered by, or fluctuations in the value of the Gross Settlement Fund; or (vi) the payment or withholding of any Taxes, expenses and/or costs incurred in connection with the taxation of the Gross Settlement Fund or the filing of any returns.

6. The Escrow Agent

6.1 The Escrow Agent, acting solely in its capacity as escrow agent, shall be subject to the jurisdiction of the Court.

6.2 Class Counsel may pay from the Gross Settlement Fund deposited in the Escrow Account actual reasonable Administration Expenses without further order of the Court. In the event that the Settlement does not become finally effective, money paid or incurred for Administrative Expenses shall not be returned or repaid to the Defendants.

6.3 The Escrow Agent may rely upon any notice, certificate, instrument, request, paper or other document reasonably believed by it to be genuine and to have been made, sent or signed by an authorized signatory in accordance with this Agreement, and shall not be liable for (and will be indemnified from the Gross Settlement Fund and held harmless from and against) any and all claims, actions, damages, costs (including reasonable attorneys' fees) and expenses claimed against or incurred by the Escrow Agent for any action taken or omitted by it, consistent with the terms hereof and those of any escrow agreement concerning the Gross Settlement Fund, in connection with the performance by it of its duties pursuant to the provisions of this Agreement or order of the courts, except for its gross negligence or willful misconduct. In the event the Settlement is terminated, as provided for herein, indemnified amounts and expenses incurred by the Escrow Agent in connection with this paragraph shall not be returned to the Defendants.

7. Class Notice and Settlement Hearing

7.1 Promptly upon the execution of this Agreement, Class Counsel will file a motion for preliminary approval of the Settlement with the Court.

7.2 Class Counsel shall apply to the Court for entry of a Preliminary Settlement Approval Order, substantially in the form annexed hereto as Exhibit C. Such Order shall include approval for the mailing of a Notice and Publication Notice, substantially in the form of Exhibits C-1 and C-2 attached hereto.

- 7.3 The mailing of the Notice and publication of the Publication Notice shall not occur until after the Court enters the Preliminary Settlement Approval Order.
  - 7.4 The Settlement Administrator is responsible for mailing of the Notice and publication of the Publication Notice.
  - 7.5 Class Counsel are responsible for providing to the Settlement Administrator a list of names and last known addresses of all Class Members. Defendants have no responsibility or liability relating to the identification of Class Members.
  - 7.6 Class Members previously had notice of the certification of the Class and the option to opt out of the Class and chose not to. Subject to Court approval, Class Members shall not have the option to opt out of the Class for settlement purposes.
  - 7.7 Class Members shall have 60 calendar days after the mailing of the Notice to file objections to the Settlement with the Court.
  - 7.8 Class Counsel shall request that, after Class Notice is given, the Court hold a hearing and enter a Final Settlement Approval Order and Judgment for the litigation.
  - 7.9 Defendants will serve the notice required by the Class Action Fairness Act of 2005, 28 U.S.C. § 1715.
8. Attorneys' Fees and Expenses
- 8.1 Class Counsel will apply to the Court for an award of attorneys' fees, not to exceed one-third (33 1/3%) of the Gross Settlement Fund, and reimbursement of expenses payable from the Gross Settlement Fund and shall further provide to the Court, as part of the motion for approval of the Settlement, all necessary information required by the Court concerning the total award of attorneys' fees and reimbursement of expenses. Such application shall be made prior to the deadline for objections to the Settlement and in accordance with such schedule as the Court may establish. Defendants will take no position with respect to any applications for attorneys' fees or expenses, or Class Representative Case Contribution Compensation.
  - 8.2 Class Counsel may also apply to the Court for Class Representatives' Case Contribution Compensation for each of the two Class Representatives (Mary Ormond and Kevin Heekin) in an amount not to exceed \$25,000 per Class Representative.
  - 8.3 Upon or after the Effective Date, any attorneys' fees and expenses and Class Representatives' Case Contribution Compensation approved by the Court shall be paid from the Gross Settlement Fund.

9. Supervision and Distribution of Settlement Fund

- 9.1 The Settlement Administrator, subject to such supervision and direction of the Court and/or Class Counsel as may be necessary or as circumstances may require, shall administer and/or oversee allocation of the Net Settlement Fund to the Class Members.
- 9.2 The Gross Settlement Fund shall be applied as follows:
- (a) to pay all the costs and expenses reasonably and actually incurred in connection with providing Notice to the Class (including mailing of Notice and publication of Publication Notice), locating Class Members, determining the eligibility of any person to be a Class Member, administering, calculating and distributing the Net Settlement Fund to Class Members, paying reasonable escrow fees and costs, if any;
  - (b) to pay the attorneys' fees and expenses awarded to Class Counsel by the Court, and to pay Class Representatives' Case Contribution Compensation as approved by the Court;
  - (c) to pay the Taxes described in Sections 1.33, 5.4, and 5.5 hereof; and
  - (d) to distribute the Net Settlement Fund to Class Members in accordance with the terms of the Plan of Allocation as approved by the Court and the Court's orders.
- 9.3 Upon the Effective Date and thereafter, and in accordance with the terms of the Plan of Allocation as approved by the Court or such further approval and further order(s) of the Court as may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Class Members, subject to and in accordance with this Agreement.
- 9.4 Class Counsel will prepare a Plan of Allocation to be presented to the Court with its application for entry of the Preliminary Settlement Approval Order.
- 9.5 Class Counsel and the Settlement Administrator are responsible for ensuring that the Net Settlement Fund is distributed to Class Members in accordance with the Court-approved Plan of Allocation. Class Counsel and the Settlement Administrator also are responsible for communicating with Class Members and others regarding Individual Initial Allocation Amounts and amounts paid under the Settlement. Defendants have no responsibility or liability relating to the allocation of the Net Settlement Fund among Class Members and shall have no obligation to communicate with Class Members and others regarding Individual Initial Allocation Amounts and amounts paid under the Settlement.
- 9.6 No person shall have any claim against Class Counsel, the Settlement Administrator, or the Class Representatives based on distributions made substantially in accordance with the Court-approved Plan of Allocation or further

order(s) of the Court. No person shall have any claim whatsoever against Defendants or Defendants' counsel, arising from or related to any allocations or calculations thereof to any Class Member or distributions made, or not made, from the Gross or Net Settlement Fund.

10. Effective Date of the Settlement

10.1 The Effective Date of the Settlement shall be the date on which all of the following conditions of settlement shall have occurred:

- (a) entry by the Court of the Preliminary Settlement Approval Order substantially in the form attached as Exhibit C;
- (b) Payment of the Settlement Amount into the Escrow Account;
- (c) approval by the Court of the Settlement, following Notice (substantially in the form attached as Exhibits C-1 and C-2) to the Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure; and
- (d) entry by the Court of the Final Settlement Approval Order and Judgment substantially in the form attached as Exhibits A and B and such Order and Judgment becoming Final.

10.2 Unless otherwise ordered by the Court, in the event this Agreement shall terminate, be cancelled or not become effective for any reason, within ten (10) business days after written notification of such event is sent by counsel for Defendants to the Escrow Agent, the Escrow Agent shall pay to Defendants an amount equal to the Settlement Amount together with any interest or other income earned thereon, less any Taxes paid or due with respect to such income, less any amounts required to be paid to the Escrow Agent pursuant to the relevant Escrow Agreement and less any reasonable Administrative Expenses actually incurred and paid or payable from the Gross Settlement Fund as authorized in this Agreement.

10.3 Except as otherwise provided herein, in the event the Settlement is terminated, the Parties to this Agreement, including Class Members, shall be deemed to have reverted to their respective status in the Action immediately prior to the execution of this Agreement and, except as otherwise expressly provided, the Parties shall proceed in all respects as if this Agreement and any related Orders had not been entered.

11. Release

11.1 As of the Effective Date of the Settlement, Plaintiffs will absolutely and unconditionally release and discharge any and all Released Claims against any and all Released Parties, but such release shall become null and void if the Settlement does not become Final for any reason.

- 11.2 The Parties understand that if the facts upon which this Agreement is based are found hereafter to be different from the facts now believed to be true, each Party expressly assumes that risk of such possible difference in facts, and agrees that this Agreement shall remain effective notwithstanding such difference in facts. The Parties agree that in entering this Agreement, it is understood and agreed that each Party relies wholly upon its own judgment, belief and knowledge and that each Party does not rely on inducements, promises or representations made by anyone other than those embodied herein.
- 11.3 Notwithstanding any other provision of this Agreement (including, without limitation, this Section), nothing in this Agreement shall be deemed to in any way impair, limit, or preclude the Parties' rights to enforce any provision of this Agreement, or any court order implementing this Agreement, in a manner consistent with the terms of this Agreement.
- 11.4 As of the Effective Date of the Settlement, Defendants will absolutely and unconditionally release and discharge each of the Class Representatives and their counsel and each of their experts from any and all claims and all liabilities of any kind (including any and all attorneys' fees and other costs incurred in defending against such claims), relating to the institution and prosecution and settlement of the Action and any claims made therein, but such release shall become null and void if the Settlement does not become Final for any reason. This release does not include all claims, rights or causes of action or liabilities whatsoever related to the enforcement of the Settlement, including, without limitation, any of the terms of this Agreement or orders or judgments issued by the courts in connection with the Settlement.
12. No Admission of Wrongdoing
- 12.1 This Agreement, whether or not consummated, and any proceedings taken pursuant to it:
- (a) shall not be offered or received against any Defendant as evidence of or construed as or deemed to be evidence of any presumption, concession, or admission by any Defendant with respect to the truth of any fact alleged by any Plaintiff or the validity of any claim that has been or could have been asserted in the Action or in any litigation, or the deficiency of any defense that has been or could have been asserted in the Action or in any litigation, or of any liability, negligence, fault, breach of duty, or wrongdoing of any Defendant;
  - (b) shall not be offered or received against any Defendant as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Defendant;



- (c) shall not be offered or received against any Defendant as evidence of a presumption, concession or admission with respect to any liability, negligence, fault, breach of duty, or wrongdoing, or in any way referred to for any other reason as against any Defendant, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Agreement; provided, however, that if this Agreement is approved by the Court, the Parties may refer to it to effectuate the liability protection granted them hereunder;
- (d) shall not be construed against any Defendant as an admission or concession that the consideration to be given hereunder represents the amount that could be or would have been recovered after trial; and
- (e) shall not be construed as or received in evidence as an admission, concession or presumption against any Class Representative or any member of the Class that any of their claims are without merit, or that any defenses asserted by any Defendants have any merit, or that damages recoverable under the Action would not have exceeded the Gross Settlement Fund.

13. Miscellaneous Provisions

- 13.1 Further Steps. The Parties agree that they each shall undertake any required steps to effectuate the purposes and intent of this Agreement.
- 13.2 Representation by Counsel. The Class Representatives and Defendants represent and warrant that they have been represented by, and have consulted with, the counsel of their choice regarding the provisions, obligations, rights, risks, and legal effects of this Agreement and have been given the opportunity to review independently this Agreement with such legal counsel and agree to the particular language of the provisions herein.
- 13.3 Contractual Agreement. The Parties understand and agree that all terms of this Agreement are contractual and are not a mere recital, and each signatory warrants that he or she is competent and possesses the full and complete authority to execute and covenant to this Agreement on behalf of the Party that he or she represents.
- 13.4 Integration. This Agreement constitutes the entire agreement among the Parties and no representations, warranties or inducements have been made to any Party concerning this Settlement Agreement other than the representations, warranties and covenants contained and memorialized herein.
- 13.5 Incorporation by Reference. All of the exhibits attached hereto are incorporated by reference as though fully set forth herein.
- 13.6 Drafting. The Parties agree that no single Party shall be deemed to have drafted this Settlement Agreement, or any portion thereof, for purpose of the invocation

of the doctrine of *contra proferentum*. This Settlement Agreement is a collaborative effort of the Parties and their attorneys.


- 13.7 Modification or Amendment. This Agreement may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by the Persons who executed this Agreement or their successors-in-interest.
- 13.8 Waiver. The failure of a Party hereto to insist upon strict performance of any provision of this Agreement shall not be deemed a waiver of such Party's rights or remedies or a waiver by such Party of any default by another Party in the performance or compliance of any of the terms of this Agreement. In addition, the waiver by one Party of any breach of this Agreement by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.
- 13.9 Severability. Should any part, term or provision of this Agreement be declared or determined by any court or tribunal to be illegal or invalid, the Parties agree that the court may modify such provision to the extent necessary to make it valid, legal and enforceable. In any event, such provision shall be separable and shall not limit or affect the validity, legality or enforceability of any other provision hereunder.
- 13.10 Successors. This Settlement Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the Parties thereto.
- 13.11 Survival. The Parties agree that the terms set forth in this Agreement shall survive the signing of this Agreement.
- 13.12 Governing Law. All terms and conditions of this Settlement Agreement shall be governed by and interpreted according to the laws of the State of Indiana, without reference to its conflict of law provisions, except to the extent the federal law of the United States requires that federal law governs.
- 13.13 Interpretation.
- (a) Definitions apply to the singular and plural forms of each term defined.
  - (b) Definitions apply to the masculine, feminine, and neuter genders of each term defined.
  - (c) Whenever the words "include," "includes" or "including" are used in this Agreement, they shall not be limiting but rather shall be deemed to be followed by the words "without limitation."
- 13.14 No Precedential Value. The Parties agree and acknowledge that this Agreement carries no precedential value.

- 13.15 Fair & Reasonable. The Parties and their counsel believe this Agreement is a fair and reasonable compromise of the disputed claims, in the best interest of the Parties, and have arrived at this Agreement as a result of extensive arms-length negotiations.
- 13.16 Retention of Jurisdiction. The administration and consummation of the Settlement as embodied in this Agreement shall be under the authority of the Court, and the Court shall retain jurisdiction over the Settlement and the Parties for the purpose of enforcing the terms of this Agreement.
- 13.17 Headings. Any headings contained herein are for informational purposes only and do not constitute a substantive part of this Agreement. In the event of a dispute concerning the terms and conditions of this Agreement, the headings shall be disregarded.
- 13.18 Exhibits. The Exhibits to this Agreement are expressly incorporated and made part of the terms and conditions set forth herein.
- 13.19 Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Agreement shall exchange among themselves original signed counterparts.
- 13.20 Facsimile and Electronic Mail. Transmission of a signed Agreement by facsimile or electronic mail shall constitute receipt of an original signed Agreement by mail.
- 13.21 No Assignment. Each Party represents and warrants that such Party has not assigned or otherwise transferred (via subrogation or otherwise) any right, title or interest in or to any claims, causes of action or demands which were or could have been, or ever could be asserted against any Party and that are released in this Agreement, or which were, could have been, or ever could be asserted against any Party. Any Party that breaches the representations and warranties set forth in this Paragraph shall indemnify and hold harmless each other Party, its parents, subsidiaries and affiliates, and their respective agents, attorneys, successors, heirs, assigns, administrators, officers, directors, employees and all other persons acting in concert with them from any and every claim or demand of every kind or character arising out of a breach by any such breaching Party of its representations and warranties in this Paragraph.
- 13.22 Non-Disparagement. The Class Representatives, Defendants, and their respective counsel agree not to make any statements, written or verbal, or to cause or encourage any other Person to make any statements, written or verbal, that defame, disparage or in any way criticize the personal or business reputation, practices, or conduct of the Parties, the Released Parties and their respective counsel concerning all Released Claims, as well as the litigation of this Action, the Settlement, this Settlement Agreement, and any discussions, interactions, or


negotiations of the Settlement by the Parties and their counsel; provided, however, nothing herein shall preclude any Party, its agents, its representatives or its counsel from any good faith response to any inquiries under oath or in response to a governmental inquiry or from making statements in the course of legal proceedings, or from non-public privileged communications with Class Members with regard to the Settlement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by themselves or by their duly authorized representatives:

ANTHEM INSURANCE COMPANIES, INC.

  
\_\_\_\_\_  
Name: R. David Kretschmer  
Title: Treasurer  
Date: June 14, 2012

ANTHEM, INC., now known as WellPoint, Inc.

  
\_\_\_\_\_  
Name: R. David Kretschmer  
Title: Treasurer  
Date: June 14, 2012

MARY E. ORMOND, ON BEHALF OF HERSELF AND THE CLASS

\_\_\_\_\_  
Name: Mary E. Ormond  
Title: Class Representative  
Date:

KEVIN T. HEEKIN, ON BEHALF OF HIMSELF AND THE CLASS

\_\_\_\_\_  
Name: Kevin T. Heekin  
Title: Class Representative  
Date:

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by themselves or by their duly authorized representatives:

ANTHEM INSURANCE COMPANIES, INC.

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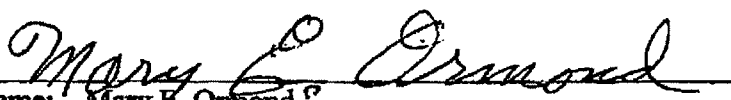
Name: [type name]  
Title: [type title]  
Date:

ANTHEM, INC., now known as WellPoint, Inc.


---

Name: [type name]  
Title: [type title]  
Date:

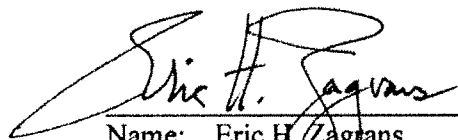
MARY E. ORMOND, ON BEHALF OF HERSELF AND THE CLASS

  
Name: Mary E. Ormond  
Title: Class Representative  
Date: 6-14-12

KEVIN T. HEEKIN, ON BEHALF OF HIMSELF AND THE CLASS

  
Name: Kevin T. Heekin  
Title: Class Representative  
Date: 6/14/12

CLASS COUNSEL, ON BEHALF OF THE CLASS



---

Name: Eric H. Zagrans  
Title: Class Counsel  
Date: June 14, 2012

---

Name: Dennis Paul Barron  
Title: Class Counsel  
Date:

---

Name: Michael F. Becker  
Title: Class Counsel  
Date:

---

Name: Edward O. DeLaney  
Title: Class Counsel  
Date:

---

Name: Kathleen A. DeLaney  
Title: Class Counsel  
Date:

---

Name: H. Laddie Montague, Jr.  
Title: Class Counsel  
Date:

CLASS COUNSEL, ON BEHALF OF THE CLASS

---

Name: Eric H. Zagrans  
Title: Class Counsel  
Date:

*Dennis Paul Barron*

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Name: Dennis Paul Barron  
Title: Class Counsel  
Date: 6-14-2012

---

Name: Michael F. Becker  
Title: Class Counsel  
Date:

---

Name: Edward O. DeLaney  
Title: Class Counsel  
Date:

---

Name: Kathleen A. DeLaney  
Title: Class Counsel  
Date:

---

Name: H. Laddie Montague, Jr.  
Title: Class Counsel  
Date:



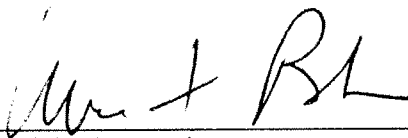
CLASS COUNSEL, ON BEHALF OF THE CLASS

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Name: Eric H. Zagrans  
Title: Class Counsel  
Date:

---

Name: Dennis Paul Barron  
Title: Class Counsel  
Date:



---

Name: Michael F. Becker  
Title: Class Counsel  
Date: 6/14/12

---

Name: Edward O. DeLaney  
Title: Class Counsel  
Date:

---

Name: Kathleen A. DeLaney  
Title: Class Counsel  
Date:

---

Name: H. Laddie Montague, Jr.  
Title: Class Counsel  
Date:

CLASS COUNSEL, ON BEHALF OF THE CLASS

---

Name: Eric H. Zagrans  
Title: Class Counsel  
Date:

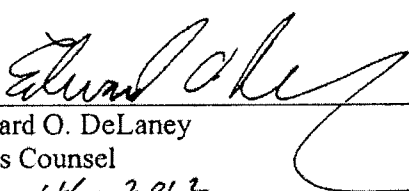
---

Name: Dennis Paul Barron  
Title: Class Counsel  
Date:

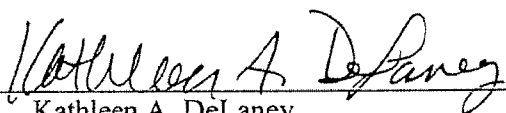
---

Name: Michael F. Becker  
Title: Class Counsel  
Date:

---

  
Name: Edward O. DeLaney  
Title: Class Counsel  
Date: 6-14-2012

---

  
Name: Kathleen A. DeLaney  
Title: Class Counsel  
Date: 6/14/2012

---

Name: H. Laddie Montague, Jr.  
Title: Class Counsel  
Date:

CLASS COUNSEL, ON BEHALF OF THE CLASS

---

Name: Eric H. Zagrans  
Title: Class Counsel  
Date:

---

Name: Dennis Paul Barron  
Title: Class Counsel  
Date:

---

Name: Michael F. Becker  
Title: Class Counsel  
Date:

---

Name: Edward O. DeLaney  
Title: Class Counsel  
Date:

---

Name: Kathleen A. DeLaney  
Title: Class Counsel  
Date:

---

Name: H. Laddie Montague, Jr.  
Title: Class Counsel  
Date: 6/14/12

*5/ H. L. Montague, Jr.*  
By: *PLR. KL*  
*Peter R. Kahana*



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Name: Lynn Lincoln Sarko

Title: Class Counsel

Date: June 14, 2012

# **EXHIBIT A**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

MARY E. ORMOND, et al., )  
 )  
 )  
 Plaintiffs, ) CASE NO. 1:05-cv-01908-TWP-TAB  
 )  
 vs. )  
 )  
 ANTHEM, INC., et al., )  
 )  
 Defendants. )

**JUDGMENT DISMISSING WITH PREJUDICE DEFENDANTS ANTHEM, INC. AND  
ANTHEM INSURANCE COMPANIES, INC.**

In accordance with, and for the reasons set forth in the Final Settlement Approval Order entered on \_\_\_\_\_, 2012, all claims against Anthem, Inc. (now known as WellPoint, Inc.), and Anthem Insurance Companies, Inc. and their parents, subsidiaries, affiliates, predecessors, and successors are dismissed with prejudice as to the Class Representatives and as to all Class Members pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Hon. Tanya Walton Pratt, Judge  
United States District Court  
Southern District of Indiana

# **EXHIBIT B**

Exhibit B

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION**

MARY E. ORMOND, et al.,	)	
	)	
	)	
Plaintiffs,	)	CASE NO. 1:05-cv-01908-TWP-TAB
	)	
vs.	)	
	)	
ANTHEM, INC., et al.,	)	
	)	
Defendants.	)	

**FINAL ORDER APPROVING PROPOSED SETTLEMENT**

The Court having reviewed and considered the Motion for Final Approval of Settlement dated \_\_\_\_\_, 2012 and having reviewed and considered the terms and conditions of the proposed settlement (the "Settlement") as set forth in the Settlement Agreement dated \_\_\_\_\_, 2012 (the "Settlement Agreement"), a copy of which has been submitted to the Court, and the Court having held a Settlement Hearing at which all interested persons were afforded an opportunity to be heard, after being satisfied that notice to the Class had been provided in accordance with the Court's Order Preliminarily Approving Proposed Settlement entered on \_\_\_\_\_, 2012 (the "Preliminary Approval Order"), and the Court having taken into account the objections, if any, submitted prior to the Settlement Hearing in accordance with the provisions of the Preliminary Approval Order and the presentations and other proceedings at the Settlement Hearing, and having considered the Settlement in the context of this litigation, the Court makes the following FINDINGS:

A. The Court has jurisdiction over the subject matter of this Action pursuant to 28 U.S.C. § 1332(d)(2) and 28 U.S.C. § 1367(a), and all acts within this Action, and over all the parties to this Action, and all Class Members.

B. Capitalized terms used in this Order that are not otherwise defined herein have the meaning assigned to them in the Settlement Agreement.



C. Notice to Class Members has been provided in accordance with the notice requirements specified by the Court in the Preliminary Settlement Approval Order. Such notice: (i) constituted the best notice to Class Members that was practicable under the circumstances; (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise Class Members of their right to object and to appear at the Settlement Hearing and the binding effect of a class judgment; (iii) was reasonable and constituted due, adequate and sufficient notice to Persons entitled to be provided with notice; and (iv) fully complied with the requirements of due process and the Federal Rules of Civil Procedure.

D. Defendants have complied with the notice provisions of the Class Action Fairness Act of 2005, 28 U.S.C. § 1715.

E. The Court has held a hearing to consider the fairness, reasonableness and adequacy of the Settlement, has been advised of all objections to the Settlement and has given fair consideration to such objections.

F. The Settlement is the product of good faith, arm's length negotiations between Class Representatives and Class Counsel, on one hand, and Anthem, on the other hand.

G. The Settlement, as provided for in the Settlement Agreement, is in all respects fair, reasonable, adequate and proper and in the best interest of the Class. In reaching this conclusion, the Court has considered a number of factors, including: (i) an assessment of the likelihood that the Class Representatives and/or the Class would prevail at trial; (ii) the range of possible recovery available to Plaintiffs as a result of such a trial; (iii) the consideration provided to Class Members pursuant to the Settlement, as compared to the range of possible recovery discounted for the inherent risks of litigation; (iv) the complexity, expense and possible duration of such litigation in the absence of a settlement; (v) the nature and extent of any objections to the Settlement; and (vi) the stage of proceedings at which the Settlement was reached.

On the basis of the foregoing findings and the submissions and proceedings referred to above, NOW THEREFORE, IT IS HEREBY ORDERED ADJUDGED AND DECREED:

Approval of Settlement

1. The Settlement and the Settlement Agreement are hereby approved as fair, reasonable, adequate, and in the best interests of the Class, and the requirements of due process and Rule 23 of the Federal Rules of Civil Procedure have been satisfied. The objections to the Settlement and the Settlement Agreement are overruled and denied in all respects.

2. The Court concludes that Class Counsel and Class Representatives have fairly and adequately represented the Class with respect to the Settlement and the Settlement Agreement.

Release and Injunctions Against Released Claims

3. As of the Effective Date, the “Released Parties,” which shall include Anthem Insurance Companies, Inc., and Anthem, Inc., and their past, present, and future successors, predecessors, parents, related organizations, subsidiaries, divisions, departments, or affiliates and any of their past, present, and future officers, directors, stockholders, partners, agents, attorneys, servants, subrogees, insurers, employees, representatives, assigns, consultants, principals, and advisors shall be released and forever discharged of any claim, liability, right, demand, suit, obligation, damage, including consequential damages, losses or costs, punitive damages, attorneys’ fees and costs, actions or causes of action, of every kind or description that the Plaintiffs have, had, or may have against the Released Parties, whether known or Unknown (as the term “Unknown Claims” is defined herein), suspected or unsuspected, asserted or unasserted, accrued or which may hereafter accrue, regardless of legal or equitable theory and the type of relief or damages claimed, based upon, arising out of, or related in any way to Anthem Insurance Companies, Inc.’s 2001 demutualization, the initial public offering of Anthem, Inc. securities in 2001, or the proceeds of said demutualization and initial public offering, including but not limited to any claims that were or could have been asserted in the Action. *Provided, however,* that the foregoing release does not include any claims, rights or causes of action or liabilities related to the enforcement of the Settlement, including, without limitation, any of the terms of the Settlement Agreement or orders or judgments issued by the

courts in connection with the Settlement, or any health-related claims of an insured arising out of the insurance coverage of any Class Member.

4. As of the Effective Date, the Defendants absolutely and unconditionally release and discharge each of the Class Representatives and their counsel and each of their experts from any and all claims and all liabilities of any kind (including any and all attorneys' fees and other costs incurred in defending against such claims), relating to the institution and prosecution and settlement of the Action and any claims made therein. This release does not include all claims, rights or causes of action or liabilities whatsoever related to the enforcement of the Settlement, including, without limitation, any of the terms of the Settlement Agreement or orders or judgments issued by the courts in connection with the Settlement.

5. "Unknown Claims" means any and all Released Claims that any of the Plaintiffs does not know or suspect to exist in his, her, or its favor as of the Effective Date and which, if known by him, her or it, might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that upon the Effective Date, Plaintiffs shall have waived any and all provisions, rights and benefits conferred by any law of any state of the United States, or principle of common law or otherwise, which is similar, comparable, or equivalent to Cal. Civ. Code § 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.

Class Representatives and Class Counsel acknowledge, and each Class Member by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims was separately bargained for and was a key element of the Settlement.

6. The Parties understand that if the facts upon which this Agreement is based are found hereafter to be different from the facts now believed to be true, each Party expressly assumes that risk of such possible difference in facts, and agrees that this Agreement

shall remain effective notwithstanding such difference in facts. The Parties agree that in entering this Agreement, it is understood and agreed that each Party relies wholly upon its own judgment, belief and knowledge and that each Party does not rely on inducements, promises or representations made by anyone other than those embodied herein.

Other Provisions

7. Neither the Settlement Agreement nor any provision therein, nor any negotiations, statements or proceedings in connection therewith shall be construed as, or be deemed to be evidence of, an admission or concession on the part of any of the Class Representatives, Class Counsel, Class Members, Defendants, or any other Person of any liability or wrongdoing by them, or that the claims and defenses that have been, or could have been, asserted in this Action are or are not meritorious, and this Order, the Settlement Agreement or any such communications shall not be offered or received in evidence in any action or proceeding, or be used in any way as an admission or concession or evidence of any liability or wrongdoing of any nature; *provided, however*, that the Settlement Agreement, this Order and the Judgment to be entered thereon may be filed in any action by any Party or Released Party seeking to enforce the Settlement Agreement or the Judgment by injunctive or other relief, or to assert defenses including, but not limited to, *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any theory of claim preclusion or issue preclusion or similar defense or counterclaim. The terms of the Settlement Agreement and of this Order and the Judgment shall be forever binding on, and shall have *res judicata* and preclusive effect in, all pending and future lawsuits or other proceedings that are subject to the Release that is set forth in paragraphs 3 and 4 of this Order that are maintained by, or on behalf of, the Releasing Parties or any other Person subject to those provisions of this Order.

8. In the event that the Effective Date cannot occur, or the Settlement Agreement is canceled or terminated in accordance with the terms and provisions of the Settlement Agreement, then the Gross Settlement Fund (less any applicable deductions required by the Settlement Agreement) shall be returned to Defendants in accordance with the terms of

the Settlement Agreement, and this Order and the Judgment shall be rendered null and void and be vacated and all orders entered in connection therewith by this Court shall be rendered null and void.

9. Without further notice of the Court, counsel for Defendants and Class Counsel may agree in writing to reasonable extensions of time to carry out any of the provisions of the Settlement Agreement.

Entry of Judgment; Continuing Jurisdiction

10. Pursuant to the separate Judgment Dismissing With Prejudice Defendants Anthem, Inc. and Anthem Insurance Companies, Inc. to be entered by the Court, all of the claims asserted in this lawsuit by the Class Representatives, individually and on behalf of the Class, are dismissed with prejudice, each party to bear its own costs.

11. Without in any way affecting the finality of this Order and the Judgment, the administration and consummation of the Settlement shall be under the authority of the Court, and the Court shall retain jurisdiction over the Settlement and the Parties for the purpose of enforcing the terms of this Order.

12. This Order is binding upon the Plaintiffs, the Class, and the Defendants. The Agreement shall be consummated in accordance with the terms and conditions of the Agreement. The parties are directed to carry out their obligations under the Agreement.

13. The Court shall enter additional Orders relating to (a) the Plan of Allocation and (b) the application for award of fees and expenses submitted by Class Counsel and the Class Representatives' Case Contribution Compensation, respectively.

DONE AND ORDERED after a hearing in open court at the United States District Courthouse in Indianapolis, Indiana, on \_\_\_\_\_, and signed this \_\_\_\_ day of \_\_\_\_\_, 2012.

---

Hon. Tanya Walton Pratt  
United States District Judge

# **EXHIBIT C**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

MARY E. ORMOND, et al., )  
)  
)  
Plaintiffs, ) CASE NO. 1:05-cv-01908-TWP-TAB  
)  
vs. )  
)  
ANTHEM, INC., et al., )  
)  
Defendants. )

**ORDER PRELIMINARILY APPROVING PROPOSED SETTLEMENT**

The Court having reviewed and considered the Plaintiffs' Motion for Preliminary Approval of Settlement and its attachments filed on June 15, 2012, and having reviewed and considered the terms and conditions of the proposed settlement (the "Settlement") as set forth in the Settlement Agreement dated June 14, 2012 (the "Settlement Agreement"), a copy of which has been submitted with the motion, and on the basis of such submissions, together with any other submissions by the parties in support of the motion, and all prior proceedings had in this matter, and good cause for this Order having been shown,

**NOW, THEREFORE, IT IS HEREBY ORDERED:**

1. The terms of the Settlement Agreement are hereby preliminarily approved, subject to further consideration at the Settlement Hearing provided for below. The Court concludes that the Settlement is sufficiently within the range of reasonableness to warrant the scheduling of the Settlement Hearing and the circulation of notice to members of the Class, each as provided for in this Order.

2. The Plan of Allocation is hereby preliminarily approved, subject to further consideration at the Settlement Hearing provided for below. The Court concludes that the Plan of Allocation is sufficiently within the range of reasonableness to warrant the scheduling of the

Settlement Hearing and the circulation of notice to members of the Class, each as provided for in this Order.

Settlement Hearing; Right to Appear and Object

3. A Settlement Hearing shall take place before the Court on \_\_\_\_\_, 2012, at \_\_\_\_:00 A.M./P.M., in the United States Courthouse, Courtroom \_\_, 46 East Ohio Street, Room 105, Indianapolis, IN, 46204 to determine:

(a) whether the Settlement, on the terms and conditions provided for in the Settlement Agreement, should be finally approved by the Court as fair, reasonable and adequate;

(b) whether the Released Claims of the Class Members should be dismissed on the merits and with prejudice;

(c) whether the Plan of Allocation is fair and reasonable and should be finally approved by the Court;

(d) whether the application for attorneys' fees, costs and expenses to be submitted by Class Counsel in connection with the Settlement Hearing should be approved;

(e) whether the application for Class Representatives' Case Contribution Compensation to be submitted in connection with the Settlement Hearing should be approved;

and

(f) such other matters as the Court may deem necessary or appropriate.

4. The Court may finally approve the proposed Settlement Agreement at or after the Settlement Hearing with any modifications agreed to by the settling parties and without further notice to the members of the Class.

5. The Court finds, pursuant to Fed. R. Civ. P. 23(e)(4), that the Class Members, in light of the previously furnished notice about the certification of this case as a class action, were afforded an opportunity to exclude themselves from this class action proceeding and should not, under the circumstances of this case and its settlement, be afforded a second opportunity for exclusion, but rather shall solely have the right to object to this settlement as set forth in this Order.



6. Any Class Member or other person with a legally-protected interest may object to the Settlement or the petition for attorneys' fees and costs (the motion for final approval of the Settlement and the petition for attorneys' fees and costs shall be filed with the Court 15 days before the objection deadline immediately below), provided such Class Member:

(a) files with the Court, on or before 60 calendar days after mailing of the notice to the Class, a written statement of objection setting forth such Class Member's objections, if any, to the matters to be considered and the basis therefore, together with all other support, papers or briefs that he, she or it wishes the Court to consider, and

(b) serves copies of all such materials upon the following counsel on or before 60 calendar days after mailing of the notice of the Class:

Kathleen A. DeLaney  
Edward O'Donnell DeLaney  
DELANEY & DELANEY LLC  
3646 N. Washington Boulevard  
Indianapolis, Indiana 46205

H. Laddie Montague, Jr.  
BERGER & MONTAGUE, P.C.  
1622 Locust Street  
Philadelphia, PA 19103

Craig A. Hoover  
HOGAN LOVELLS US LLP  
555 13th Street, NW  
Washington, DC 20004

Christopher G. Scanlon  
FAEGRE BAKER DANIELS LLP  
300 N. Meridian Street, Suite 2700  
Indianapolis, IN 46204-1782

7. Any Class Member or other person with a legally-protected interest may also appear at the Settlement Hearing in person or by counsel and be heard, to the extent allowed by the Court, either in support of or in opposition to the matters to be considered at the Hearing; provided, however, that no Person shall be heard, and no papers, briefs or other submissions shall

be considered by the Court in connection with its consideration of those matters, unless on or before 60 calendar days after mailing of the notice to the Class, such Person:

(a) files with the Court a notice of such Person's intention to appear, together with a written statement of objection setting forth such Person's objections, if any, to the matters to be considered and the basis for the objections, together with all other support, papers or briefs that he, she or it wishes the Court to consider and intends to rely upon at the Settlement Hearing, and

(b) serves copies of all such materials either by hand or overnight delivery, upon the following counsel:

Kathleen A. DeLaney  
Edward O'Donnell DeLaney  
DELANEY & DELANEY LLC  
3646 N. Washington Boulevard  
Indianapolis, Indiana 46205

H. Laddie Montague, Jr.  
BERGER & MONTAGUE, P.C.  
1622 Locust Street  
Philadelphia, PA 19103

Craig A. Hoover  
HOGAN LOVELLS US LLP  
555 13th Street, NW  
Washington, DC 20004

Christopher G. Scanlon  
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300 N. Meridian Street, Suite 2700  
Indianapolis, IN 46204-1782

Plaintiffs and Defendants may file responses to any objections, papers or briefs filed by any Class Member or other interested Person on or before seven (7) days prior to the Settlement Hearing. Such response also shall be served by hand or overnight delivery on such Class Member or other interested Person or on his, her or its attorney.

8. The Court may adjourn the Settlement Hearing (or any subsequent hearing relating to the Settlement), including the consideration of the application for attorneys' fees, costs and expenses, without further notice of any kind other than an announcement of such adjournment in open court at the Settlement Hearing (or at any subsequent hearing relating to the Settlement) or the entry of an order of adjournment.

Form and Timing of Mailed Notice and Publication Notice

9. The Court hereby appoints the firm of Kurtzman Carson Consultants, LLC to be engaged by Class Counsel as the Settlement Administrator to perform all duties specified in the Settlement Agreement and herein. As soon as practicable after entry of this Order, but no later than 30 days after this Order is entered, the Settlement Administrator shall cause copies of the Notice of Proposed Settlement in the form attached as Exhibit C-1 to the Settlement Agreement (the "Notice"), the form of which is hereby approved, to be mailed by first-class mail, postage pre-paid, to all Class Members using the most current addresses listed in the class list database provided by Defendants in 2010, in accordance with the Agreed Procedures for Providing Notices to Class Members Pursuant to Fed. R. Civ. P. 23(c)(2)(B) ("Agreed Procedures") [Dkt. 214], and as updated as a result of the mailing of the Court-ordered notice of class certification to reflect corrected address information and to exclude any Class Members who opted out of the Action ("Database").

10. The Settlement Administrator shall cause a copy of the Publication Notice in the form attached as Exhibit C-2 to the Settlement Agreement (the "Publication Notice"), the form of which is hereby approved, to be published once, within seven (7) days after the mailing of Notice, in the national edition of the USA Today.

11. Prior to the Notice being mailed to Class Members, the Settlement Administrator shall cause a copy of the Notice to be posted on the [www.anthemcashclass.com](http://www.anthemcashclass.com) website that was created pursuant to the Agreed Procedures.

12. Prior to the Notice being mailed to Class Members, the Settlement Administrator shall establish a toll-free telephone number and create a call center with Interactive Voice

Response (“IVR”) messaging to provide answers to frequently asked questions (“FAQs”). The IVR will encourage callers to use the [www.anthemcashclass.com](http://www.anthemcashclass.com) website for more detailed information to questions. Callers who wish to speak with a call center attendant will be able to leave a voice mail recording with their questions and contact information. A call center attendant who will have online access to the Database and the Anthem Case Database (referenced in the Agreed Procedures) with the ability to run queries and record notes, as well as to the [www.anthemcashclass.com](http://www.anthemcashclass.com) website, will promptly return any such calls. Written question and answer scripts that contain key information and FAQs will be provided to call center attendants to use as a reference. The scripts and FAQs required by this paragraph will be created by Class Counsel in a form satisfactory to Defendants. All inbound and outbound telephone calls to and from the call center relating to this case will automatically be digitally recorded, saved and archived by the Settlement Administrator.

13. Prior to the Settlement Hearing, the Settlement Administrator shall serve and file a sworn statement attesting to compliance with paragraphs 9 through 12 of this Order. Costs of providing the notice to the Class that is specified in this Order, including the IVR services specified above, shall be paid as set forth in the Settlement Agreement.

14. The notice to be provided as set forth in paragraphs 9 through 11 of this Order is hereby found to be the best means of notice to members of the Class that is practicable under the circumstances and, when completed, shall constitute due and sufficient notice of the Settlement and the Settlement Hearing to all persons affected by and/or entitled to participate in the Settlement or the Settlement Hearing, in full compliance with the requirements of due process and the Federal Rules of Civil Procedure.

#### Other Provisions

15. All proceedings in the case styled as *Mary E. Ormond, et al., v. Anthem, Inc., et al.*, Case No. 1:05-cv-01908-TWP-TAB, other than proceedings as may be necessary to carry out the terms and conditions of the Settlement, are hereby stayed and suspended until further order of the Court. No Party to the Settlement, including any Class Member, shall take any

action that would be inconsistent with the Parties' agreement to resolve their dispute pursuant to the terms of the Settlement Agreement. In the event that any Class Member initiates any legal action relating to the subject matter of this Action prior to the Effective Date, Class Counsel and/or Anthem's counsel shall apprise the Court of such action so that the Court may take appropriate measures in furtherance of the Court's jurisdiction over this Settlement, including but not limited to the issuance of injunctive relief.

16. No discovery with regard to the Settlement or the Settlement Agreement shall be permitted as to any of the parties to the Settlement Agreement other than as may be directed by the Court upon a proper showing by the party seeking such discovery by motion properly noticed and served in accordance with this Court's Local Rule 7.1.

17. Anthem shall not respond to inquiries from Class Members regarding the Settlement Agreement other than to refer such Class Member inquiries regarding the Settlement Agreement either to Class Counsel, the Settlement Administrator, the [www.anthemcashclass.com](http://www.anthemcashclass.com) website, or to the written question and answer scripts and FAQs referred to above.

18. Any Class Member may enter an appearance in the Action, at his, her or its own expense. Any Class Member who does not enter an appearance will be represented by Class Counsel.

19. Neither the Settlement Agreement nor any provision therein, nor any negotiations, statements or proceedings in connection therewith shall be construed as, or be deemed to be evidence of, an admission or concession on the part of any of the Class Representatives, Class Counsel, any members of the Class, Defendants or any other person of any liability or wrongdoing by them, or that the claims and defenses that have been, or could have been, asserted in this Action are or were not meritorious, and neither the Settlement Agreement nor any such communications shall be offered or received in evidence in any action or proceeding, or be used in any way as an admission or concession or evidence of any liability or wrongdoing of any nature.

20. In the event that the Settlement Agreement is terminated or is not consummated for any reason, the Settlement, the Releases therein and all proceedings had in connection therewith shall be null and void, except to the extent expressly provided to the contrary in the Settlement Agreement, and without prejudice to the rights of the parties to the Settlement Agreement before it was executed.

IT IS SO ORDERED this \_\_\_\_ day of June, 2012.

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Hon. Tanya Walton Pratt  
United States District Judge  
Southern District of Indiana

# **EXHIBIT C-1**

Exhibit C-1  
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

MARY E. ORMOND, <i>et al.</i> ,	)	
	)	
Plaintiffs,	)	
	)	
vs.	)	CASE NO. 1:05-cv-01908-TWP-TAB
	)	
ANTHEM, INC., <i>et al.</i> ,	)	
	)	
Defendants.	)	

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**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION**

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TO: ALL FORMER MEMBERS OF ANTHEM INSURANCE COMPANIES, INC. (“ANTHEM INSURANCE”) RESIDING IN OHIO, INDIANA, KENTUCKY AND CONNECTICUT WHO RECEIVED CASH COMPENSATION IN CONNECTION WITH THE DEMUTUALIZATION OF ANTHEM INSURANCE ON NOVEMBER 2, 2001 AND THE COMMUNITIES COMPRISED OF THEM AND THEIR SPOUSES, IF ANY (WITH CERTAIN EXCLUSIONS DETAILED HEREIN).

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**PLEASE READ THIS NOTICE CAREFULLY  
YOUR RIGHTS MAY BE AFFECTED BY THIS PROPOSED SETTLEMENT**

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By order of the United States District Court for the Southern District of Indiana, Indianapolis Division (“the District Court”), Judge Tanya Walton Pratt presiding, you are hereby notified of the settlement of this Class Action lawsuit, captioned *Mary Ormond, et al. v. Anthem, Inc. (n/k/a WellPoint, Inc.), et al.* (“*Ormond v. Anthem*” or the “Class Action”). If you are a member of the Class described in this Notice, your rights may be affected by this settlement. On June \_\_, 2012, the District Court granted preliminary approval of the settlement. A hearing at which the Court will consider whether to grant final approval of the settlement is scheduled for \_\_, 2012. This Settlement Notice explains what this Class Action is about, the general terms of



the settlement, and your rights concerning approval of the settlement. Capitalized terms not defined herein have the meaning set forth in the Parties' Settlement Agreement, a full copy of which is available at [www.anthemcashclass.com](http://www.anthemcashclass.com).

### **WHAT IS THIS LITIGATION ABOUT?**

#### **I. The Nature of the *Ormond v. Anthem* Case**

The Complaint that initiated the *Ormond v. Anthem* case was filed on August 16, 2005. The Class Representatives in this Class Action are Mary E. Ormond and Kevin T. Heekin (collectively "Plaintiffs"). The Defendants are (i) Anthem, Inc. (now known as WellPoint, Inc.), and (ii) Anthem Insurance Companies, Inc. ("Anthem Insurance") (collectively "Anthem").

Ms. Ormond and Mr. Heekin brought this lawsuit on their own behalf and on behalf of others similarly situated who received cash compensation as a result of the demutualization of Anthem Insurance which occurred in November 2001. Plaintiffs claim that the amount of the cash compensation each person received in the demutualization should have been greater.

Plaintiffs asserted a number of claims in their Complaint, as described more fully in the prior Notice provided to the Class in 2010. A copy of the 2010 Notice is available for your review at [www.anthemcashclass.com](http://www.anthemcashclass.com).

On July 1, 2011, the District Court granted summary judgment to Anthem on all of Plaintiffs' claims except "Plaintiffs' tort claim for breach of duty in connection with the pricing and sizing of the Anthem, Inc. IPO." *Ormond v. Anthem, Inc.*, 799 F. Supp. 2d 910 (S.D. Ind. 2011). (A copy of the Court's summary judgment order is available for your review at [www.anthemcashclass.com](http://www.anthemcashclass.com).) Each Class member received cash compensation of \$39.60 for every share of value of Anthem Insurance he or she was originally allocated by Anthem Insurance as part of the demutualization process. The number of shares of value you were originally allocated is printed below your address on the front of this Notice. Plaintiffs allege that Anthem breached its fiduciary duties and was negligent by setting the IPO price too low, thus undercompensating the Class members by paying them too little cash in exchange for their mutual membership interests in Anthem Insurance.

Anthem denies these allegations, denies that it breached any duties to the Class, and denies all liability. Further, Anthem asserts that the challenged cash payments to Class members were determined according to its Plan of Conversion and applicable law and are not subject to challenge because they were approved by the Indiana Department of Insurance, the regulator with exclusive jurisdiction over Anthem Insurance's demutualization.

#### **II. The Class Action Determination and Certification**

On September 29, 2009, the District Court certified the *Ormond v. Anthem* case as a Class Action, with Mary E. Ormond and Kevin T. Heekin serving as the Class Representatives on behalf of the members of a Class defined as follows:

All former members of Anthem Insurance residing in Ohio, Indiana, Kentucky and Connecticut who received cash compensation in connection with the demutualization of Anthem Insurance on November 2, 2001, and the communities comprised of them and their spouses, if any, excluding:

- (i) all employers located in Ohio and Connecticut that maintained Anthem group health insurance policies on their respective employees and retirees and that received demutualization compensation (the “Grandfathered Groups”);
- (ii) Defendants, their predecessors and successors in interest;
- (iii) the officers and directors of Defendants, their predecessors and successors;
- (iv) counsel of record in this action and their respective parents, spouses and children; and
- (v) judicial officers who enter an order in this action, and their respective parents, spouses and children.

*Ormond v. Anthem, Inc.*, 2009 WL 3163117 (S.D. Ind. September 29, 2009).

Notice was provided to the Class in 2010 as required by the Court, and the members of the Class were given the opportunity to opt out of the Class at that time. **If you come within the definition of the Class and did not opt out in 2010, you are a Class Member and you may not opt out of the class.**

#### **WHAT ARE THE TERMS OF THE PROPOSED SETTLEMENT?**

The Class Representatives and Anthem have agreed to the settlement described below. A complete version of the Settlement Agreement and the Court’s order granting preliminary approval are available for your review at [www.anthemcashclass.com](http://www.anthemcashclass.com). The Class Representatives and Class Counsel believe that the settlement is fair, reasonable and in the best interests of the Class. Class Counsel have considered a number of factors, including: (i) an assessment of the likelihood that the Class would prevail at trial; (ii) the range of possible recovery available to Plaintiffs as a result of such a trial; (iii) the consideration provided to Class Members pursuant to the Settlement, as compared to the range of possible recovery discounted for the inherent risks of litigation; (iv) the complexity, expense and possible duration of such litigation in the absence of a settlement; and (v) the stage of proceedings at which the Settlement was reached. The District Court has determined, preliminarily, that this settlement is within the range of being fair, reasonable and in the best interests of the Class, subject to the hearing on final approval of the settlement.

The main terms of the settlement are as follows:

**Membership in the Class:** In order to participate in this settlement, you must be a member of the Class previously certified by the District Court in this Class Action. In order to be a member of the Class, you must fall under the description of the Class provided in Part II above. If you do not fall under that description, or if you previously opted out of the Class, you are not eligible to participate in this settlement and this settlement does not impact your rights.

**Settlement Consideration:** In consideration for the release of all claims, Anthem paid Ninety Million Dollars (\$90,000,000) (the “Settlement Amount”) into an escrow account within ten (10) business days after the date on which the Preliminary Settlement Approval Order was entered by the District Court. The Settlement Amount together with accrued interest will constitute the “Gross Settlement Fund.” The Gross Settlement Fund will be used (a) to pay all of the costs and expenses incurred in connection with providing notice to the Class, locating Class members, determining the eligibility of any person to be a Class member, administering, calculating and distributing compensation to Class members, paying reasonable escrow fees and costs, if any; (b) to pay the attorneys’ fees and expenses awarded to Class Counsel by the District Court, and to pay Class Representatives’ Case Contribution Compensation as approved by the District Court; (c) to pay certain taxes as described in the settlement agreement; and (d) to distribute cash compensation to Class Members in the manner provided by the Plan of Allocation.

**Release and Dismissal With Prejudice:** Upon final approval of the settlement, this case will be dismissed with prejudice as to Anthem Insurance Companies, Inc. and Anthem, Inc. When the approval of the settlement becomes final, the Class Representatives and the Class will release any claim, liability, right, demand, suit, obligation, damage, including consequential damages, losses or costs, punitive damages, attorneys’ fees and costs, actions or causes of action, of every kind or description that the Plaintiffs have, had, or may have against the Released Parties, whether known or Unknown (as the term “Unknown Claims” is defined in the Settlement Agreement), suspected or unsuspected, asserted or unasserted, accrued or which may hereafter accrue, regardless of legal or equitable theory and the type of relief or damages claimed, based upon, arising out of, or related in any way to Anthem Insurance Companies, Inc.’s 2001 demutualization, the initial public offering of Anthem, Inc. securities in 2001, or the proceeds of said demutualization and initial public offering, including but not limited to any claims that were or could have been asserted in the Action. The release does not include any claims, rights or causes of action or liabilities related to the enforcement of the Settlement, including, without limitation, any of the terms of the Settlement Agreement or orders or judgments issued by the courts in connection with the Settlement, or any health-related claims of an insured arising out of the insurance coverage of any Class Member.

### **WHO IS MY LAWYER?**

The Court has appointed the below-listed Counsel to represent you, and all other Members of the Class, in this case:

Eric H. Zagrans  
ZAGRANS LAW FIRM LLC  
24500 Chagrin Boulevard, Suite 200  
Cleveland, OH 44122

Dennis P. Barron  
582 Torrence Lane  
P.O. Box 8190  
Cincinnati, OH 45208

Kathleen A. DeLaney  
Edward O'Donnell DeLaney  
DELANEY & DELANEY LLC  
3646 N. Washington Boulevard  
Indianapolis, IN 46205

Michael Becker  
THE BECKER LAW FIRM CO., L.P.A.  
134 Middle Ave.  
Elyria, OH 44035

Lynn L. Sarko  
T. David Copley  
Cari C. Laufenberg  
KELLER ROHRBACK, L.L.P.  
1201 Third Avenue, Suite 3200  
Seattle, WA 98101-3052

H. Laddie Montague, Jr.  
Peter R. Kahana  
BERGER & MONTAGUE, P.C.  
1622 Locust Street  
Philadelphia, PA 19103

### **WHAT ABOUT ATTORNEYS' FEES, COSTS AND EXPENSES?**

Since the beginning of this lawsuit in 2005 and for almost seven years thereafter, Class Counsel have not received any payment for their services in prosecuting the case, nor have they been reimbursed for any out-of-pocket expenses. Class Counsel will seek an award of attorneys' fees in the amount of up to one-third (33 1/3%) of the Gross Settlement Fund and an award of actual litigation expenses in the approximate amount of \$7 million, both of which are subject to Court approval. Any award of attorneys' fees and expenses approved by the Court will be payable from the Gross Settlement Fund. Plaintiffs will file a Petition for an Award of Attorney Fees and a motion for final approval of the Settlement with the Court 15 days before the deadline for objections identified below.

### **WHAT IS THE CLASS REPRESENTATIVES' CASE CONTRIBUTION COMPENSATION?**

In connection with the Court's consideration of the proposed settlement, Class Counsel may also apply to the Court for compensation in the amount of up to \$25,000.00 for each of the two Class Representatives (Mary Ormond and Kevin Heekin). If awarded, payment of this compensation also would come from the Gross Settlement Fund.

### **HOW MUCH MONEY WILL I RECEIVE FROM THE SETTLEMENT?**

Under the Plan of Allocation, the amount of money that each Class Member will receive from the settlement if it is approved will depend on a number of factors that have not yet been determined. Once those factors are determined, the process will be as follows:

1. The following items will be deducted from the Gross Settlement Fund (\$90,000,000 plus accrued interest): (1) administrative expenses, including expenses associated with mailing notice to the Class Members and administering the settlement, (2) Class Counsel's attorneys' fees and costs, (3) Class Representatives' Case Contribution Compensation, and (4) applicable taxes. The remainder after these deductions will be the Net Settlement Fund.
2. A Settlement Administrator has been retained to distribute the Net Settlement Fund to Class Members. The Net Settlement Fund will be distributed to Class Members according to the Plan of Allocation.
3. The Settlement Administrator will mail a check to each Class Member as described in the Plan of Allocation.
4. Class Counsel estimate that, in the first settlement distribution, each Class Member will receive at minimum between \$19 and \$425. The amount you receive will vary depending on how many "shares" of value Anthem allocated to you in connection with the 2001 demutualization.

*The number of "shares" Anthem allocated to you in 2001 is printed below your address on the address label of this Notice. To estimate the net amount of your potential initial settlement distribution, multiply the number of "shares" shown on the mailing label times 90¢ per share.*

5. Under the Plan of Allocation, you might receive a second settlement distribution.

*The second settlement distribution check will be sent as a "postcard" with perforated edges. Watch for this check and do not throw it away. It is not junk mail.*

### **WHAT IS THE PLAN OF ALLOCATION?**

Class Counsel have proposed a method for allocating settlement proceeds among Class members, which is referred to as the Plan of Allocation. Under the proposed Plan of Allocation, the Net Settlement Fund (after the payment of attorneys' fees, costs, Class Representative' Case Contribution Compensation, taxes and administrative expenses) will be paid to Class members in proportion to the cash amount they originally received from Anthem in 2001 as a result of the demutualization (the "initial settlement distribution"). Class members' proportionate shares of the Net Settlement Fund that are unclaimed after the initial settlement distribution and after all Class members have had a chance to cash their initial checks will be paid in a second settlement distribution to those Class members who cashed their initial checks in the same proportion as the initial settlement distribution (except for those Class members whose second settlement distribution amount would be less than \$10). If there are any unclaimed settlement proceeds

after the second settlement distribution is complete, the remainder will be paid to an indigent health care charity approved by the Court. The entire Plan of Allocation is subject to Court supervision and approval.

**WHAT WILL HAPPEN AT THE SETTLEMENT HEARING?**

A Settlement Hearing will be held on \_\_\_\_\_, 2012, at \_\_:00 A.M./P.M. in the United States Courthouse, Courtroom \_\_\_, 46 East Ohio Street, Room 105, Indianapolis, IN, 46204. At the Hearing, the Court will consider several different issues, including:

- (a) whether the Settlement, on the terms and conditions provided for in the Settlement Agreement, should be finally approved by the Court as fair, reasonable and adequate;
- (b) whether the Released Claims of the Class members should be dismissed on the merits and with prejudice;
- (c) whether the Plan of Allocation is fair, reasonable, and should be approved;
- (d) whether the application for attorneys' fees, costs and expenses to be submitted by Class Counsel in connection with the Settlement Hearing should be approved;
- (e) whether the application for Class Representatives' Case Contribution Compensation to be submitted in connection with the Settlement Hearing should be approved; and
- (f) such other matters as the Court may deem necessary or appropriate.

**MAY I OBJECT TO THE SETTLEMENT OR THE PETITION FOR ATTORNEYS' FEES AND COSTS?**

Yes. Any Class Member may object to the settlement or the petition for attorneys' fees and costs provided that such Person:

- (a) files with the Court on or before \_\_\_\_\_ 2012, [**Objection Date - 60 days after Notice Date**] a written statement of objection setting forth (i) such Person's objections, if any, to the matters to be considered, (ii) the basis for any objections, and (iii) all other support, papers or briefs that the Class Member wishes the Court to consider at the Settlement Hearing at the following address:

United States District Court  
Southern District of Indiana  
46 East Ohio Street  
Room 105  
Indianapolis, IN 46204

**and**

- (b) serves copies of all such materials upon the following counsel:

Kathleen A. DeLaney  
DELANEY & DELANEY LLC  
3646 N. Washington Boulevard  
Indianapolis, IN 46205

Craig A. Hoover  
HOGAN LOVELLS US LLP  
555 13th Street, NW  
Washington, DC 20004

H. Laddie Montague, Jr.  
BERGER & MONTAGUE, P.C.  
1622 Locust Street  
Philadelphia, PA 19103

Christopher G. Scanlon  
FAEGRE BAKER DANIELS LLP  
300 N. Meridian Street, Suite 2700  
Indianapolis, IN 46204-1782

Any Class Member may also appear at the Settlement Hearing in person or by counsel and be heard, to the extent allowed by the Court, either in support of or in opposition to the matters to be considered at the Hearing, *but only if* such Person does the following on or before \_\_\_\_\_ 2012 [**Objection Date - 60 days after Notice Date**]:

(a) files with the Court a notice of the Person's intention to appear, together with a written statement of objection setting forth (i) such Person's objections, if any, to the matters to be considered, (ii), the basis for any objections, and (iii) all other support, papers or briefs that the Person wishes the Court to consider and intends to rely upon at the Settlement Hearing at the following address:

United States District Court  
Southern District of Indiana  
46 East Ohio Street  
Room 105  
Indianapolis, IN 46204

**and**

(b) serves copies of all such materials upon the following counsel:

Kathleen A. DeLaney  
DELANEY & DELANEY LLC  
3646 N. Washington Boulevard  
Indianapolis, IN 46205

Craig A. Hoover  
HOGAN LOVELLS US LLP  
555 13th Street, NW  
Washington, DC 20004

H. Laddie Montague, Jr.  
BERGER & MONTAGUE, P.C.  
1622 Locust Street  
Philadelphia, PA 19103

Christopher G. Scanlon  
FAEGRE BAKER DANIELS LLP  
300 N. Meridian Street, Suite 2700  
Indianapolis, IN 46204-1782

Plaintiffs and Defendants may file responses to any objections, papers or briefs filed by any Class member or other interested Person on or before \_\_\_\_\_ 2012. [**7 DAYS BEFORE HEARING**]. Any such response shall be served by hand or overnight delivery on the Person who made the objection or his, her, or its attorney.

If the Court does not approve the proposed settlement, the Settlement Agreement will be null and void. If there are further actions taken in this case that affect your rights, you will receive notice as determined by the Court.

**WHO CAN I CONTACT WITH QUESTIONS?**

This notice is a summary and does not describe all the details of the proposed Settlement or this Class Action. More information about the proposed Settlement or this Class Action is available on the internet at [www.anthemcashclass.com](http://www.anthemcashclass.com). You may also obtain information about the proposed Settlement or this Class Action by:

- Calling, toll free, (877) 282-1179,
- E-mailing to [anthemsettlement@kccllc.com](mailto:anthemsettlement@kccllc.com), or
- Writing to:

Anthem/Ormond Settlement Administrator  
c/o KCC Class Actions  
P.O. Box 43079  
Providence, RI 02940-3079

Class Counsel will monitor all inquiries and respond as appropriate on a first-come, first-served basis.

**DO NOT CONTACT THE JUDGE'S CHAMBERS OR THE CLERK OF COURT.**

Dated: June \_\_, 2012

**BY ORDER OF THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF INDIANA**



# **EXHIBIT C-2**

Exhibit C-2  
UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

MARY E. ORMOND, <i>et al.</i> ,	)	
	)	
Plaintiffs,	)	
	)	
vs.	)	CASE NO. 1:05-cv-01908-TWP-TAB
	)	
ANTHEM, INC., <i>et al.</i> ,	)	
	)	
Defendants.	)	

TO ALL MEMBERS OF THE FOLLOWING CLASS:

ALL FORMER MEMBERS OF ANTHEM INSURANCE COMPANIES, INC. (“ANTHEM INSURANCE”) RESIDING IN OHIO, INDIANA, KENTUCKY AND CONNECTICUT WHO RECEIVED CASH COMPENSATION IN CONNECTION WITH THE DEMUTUALIZATION OF ANTHEM INSURANCE ON NOVEMBER 2, 2001 (WITH CERTAIN EXCLUSIONS DETAILED IN THE NOTICE OF CLASS ACTION SETTLEMENT)

**PLEASE READ THIS NOTICE CAREFULLY  
THIS IS A COURT-ORDERED LEGAL NOTICE  
THIS IS NOT A SOLICITATION**

A proposed settlement has been preliminarily approved by a federal court in the above-captioned class action lawsuit alleging claims related to the amount of cash compensation originally paid as a result of the demutualization of Anthem Insurance in November 2001. The terms of the Settlement are contained in a Settlement Agreement, dated [June \_\_, 2012] (the “Settlement Agreement”), which is available at [www.anthemcashclass.com](http://www.anthemcashclass.com) or by contacting the Settlement Administrator identified below. The proposed Settlement provides for a payment of \$90,000,000.00 to settle all claims against Anthem, Inc. (now known as WellPoint, Inc.), and Anthem Insurance. Under the proposed Settlement, the proceeds, net of expenses described in the Settlement Agreement (which include notice and administrative expenses, Court-approved attorneys’ fees and expenses and Class Representatives’ compensation) will be paid to the Class Members according to a court-approved Plan of Allocation. If you qualify, the Settlement Administrator will mail a check to you as described in the Plan of Allocation. If you believe that

you are eligible to participate but did not receive a notice by mail, please contact the Settlement Administrator listed below to provide your current address.

The United States District Court for the Southern District of Indiana (the "Court") authorized this Notice.

THE COURT WILL HOLD A HEARING AT \_\_:00 \_\_.M. ON \_\_\_\_\_ TO DECIDE WHETHER TO APPROVE THE SETTLEMENT, AND IF APPROVED, HOW THE SETTLEMENT PROCEEDS SHOULD BE DISTRIBUTED.

ADDITIONAL INFORMATION CONCERNING THE PROPOSED SETTLEMENT, INCLUDING THE NOTICE OF CLASS ACTION SETTLEMENT THAT HAS BEEN MAILED TO CLASS MEMBERS THAT EXPLAINS HOW CLASS MEMBERS CAN OBJECT TO THE SETTLEMENT AND THE SETTLEMENT AGREEMENT, IS AVAILABLE AT [WWW.ANHEMCASHCLASS.COM](http://WWW.ANHEMCASHCLASS.COM). YOU CAN OBTAIN ADDITIONAL INFORMATION BY CALLING THE SETTLEMENT ADMINISTRATOR AT (877) 282-1179, EMAILING TO [ANHEMSETTLEMENT@KCCLLC.COM](mailto:ANHEMSETTLEMENT@KCCLLC.COM), OR WRITING TO:

Anthem/Ormond Settlement Administrator  
c/o KCC Class Actions  
P.O. Box 43079  
Providence, RI 02940-3079

**PLEASE DIRECT QUESTIONS TO  
THE SETTLEMENT ADMINISTRATOR, NOT TO THE COURT.**

DATED: \_\_\_\_\_, 20\_\_ By Order of the Court.