

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

In Re: NorthStar Education Finance, Inc.,
Contract Litigation

MDL No. 08-1990 (DWF/JJK)

This document relates to:
All Actions

**ORDER FOR FINAL APPROVAL OF
SETTLEMENT, CERTIFICATION OF SETTLEMENT CLASS, PAYMENT OF
ATTORNEY FEES, REIMBURSEMENT OF LITIGATION EXPENSES, AND
FINAL JUDGMENT**

WHEREAS, the Plaintiffs, on behalf of themselves and each Class member (as defined herein), by and through their counsel of record, have asserted claims for damages alleging statutory, tort, and contract claims against Defendant Northstar Education Finance, Inc. (“Northstar”).

WHEREAS, the Plaintiffs and Northstar, desiring to resolve any and all disputes in this action, executed a Settlement Agreement dated December 14, 2009;

WHEREAS, the Settlement Agreement does not constitute, and shall not be construed as or deemed to be evidence of, and admission of any fault, wrongdoing or liability by Northstar or by any other person or entity;

WHEREAS, Northstar and the Class have agreed to entry of this Final Approval Order and Judgment (hereinafter “Order”);

WHEREAS, on December 21, 2009, this Court granted preliminary approval to the Settlement Agreement and directed that Notice be given to the Class;

WHEREAS, pursuant to preliminary approval of the Settlement Agreement and approval of Plaintiffs' proposed method of Notice to the Class, Notice was given to the members of the Class, in accordance with Federal Rules of Civil Procedure 23(c)(2) and 23(e) and the requirements of due process, and Class members were afforded the opportunity to object or otherwise comment on the Settlement; and

WHEREAS, an opportunity to be heard was given to all persons requesting to be heard in accordance with this Court's orders; the Court has reviewed and considered the terms of the Settlement Agreement, the submissions of the parties in support thereof, and the comments received in response to the Notice; and after holding a hearing on April 8, 2010, at which time all interested parties were given an opportunity to be heard;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

I. JURISDICTION

1. This Court has jurisdiction over the subject matter of this action and each of the parties to the Settlement Agreement. Plaintiffs brought this action asserting claims for violation of Minnesota's Consumer Protection Statutes, liability under tort, and breach of contract. Jurisdiction lies in this Court pursuant to 28 U.S.C. § 1332(d).

II. DEFINITIONS

As used in this Final Approval Order and Judgment, the following definitions shall apply:

2.1 "Class" or "Class Members" means the Class conditionally certified pursuant to the Court's Preliminary Approval Order dated December 21, 2009 of all

persons and entities in the United States who obtained or co-signed a student loan held by Northstar or a wholly-owned subsidiary of Northstar at the time of the Suspension of the Bonus on February 18, 2008, provided that the loan (a) is eligible to receive Bonus payments; and (b) had not been fully paid off at the time of the Suspension. Excluded from the Class are the Court and its employees; Northstar; any parent, subsidiary, or affiliate of Northstar; and all employees and directors who are or have been employed by Northstar during the relevant time period.

2.2 “Effective Date” shall occur upon (a) the entry by the Court of a final order approving the Settlement Agreement under Fed. R. Civ. P. 23(a) together with entry of a final judgment dismissing the Class Action and all claims therein against Northstar on the merits with prejudice as to all Class Members (the "Final Judgment"), and (b) the expiration of the time for appeal or to seek permission to appeal from the Court’s approval of the Settlement Agreement and entry of the Final Judgment or, if an appeal from an approval and Final Judgment is taken the affirmance of such Final Judgment in its entirety, without modification, by the court of last resort to which an appeal of such Final Judgment may be taken.

2.3. “Judgment” refers to this Final Approval Order and Final Judgment.

2.4. “Litigation” means the action pending in this Court titled *In re Northstar Education Finance, Inc. Contract Litig.*, All Actions. Case No. 1990-MD-08.

2.5. “Notice” means, collectively, the communications by which the Class was notified of the existence and terms of the Settlement.

2.6 “Notice Plan” means the plan approved by the Court for notifying the Class of the Settlement.

2.7 “Northstar” means Defendant Northstar Education Finance, Inc. d/b/a Total Higher Education, and its past and present parents, subsidiaries, affiliates, officers, directors, employees, agents, attorneys, servants, and representatives (and the parents’, subsidiaries’, and affiliates’ past and present officers, directors, employees, agents, attorneys, servants, and representatives), and the predecessors, heirs, executors, administrators, and assigns of each of the foregoing.

2.8 “Plaintiffs” means John M. Guidos, John J. Guidos, Jennifer So, Jeffrey Pintar, and Chad Alan Staul, on behalf of themselves and each and every member of the Settlement Class.

2.9 “Plaintiffs’ Counsel” or “Class Counsel” means Robert K. Shelquist of Lockridge Grindal Nauen P.L.L.P., Adam J. Levitt of Wolf Haldenstein Adler Freeman & Herz LLC, and Charles S. Zimmerman of Zimmerman Reed PLLP

2.10 “Releasees” shall refer jointly and severally, individually and collectively to Northstar, and its past and present parents (including without limitation Bemis Company, Inc.), subsidiaries, affiliates, officers, directors, employees, agents, attorneys, servants, and representatives (and the parents’, subsidiaries’, and affiliates’ past and present officers, directors, employees, agents, attorneys, servants, and representatives), and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing.

2.11. “Releasors” shall refer jointly and severally, individually and collectively to Plaintiffs, the Class Members, and their predecessors, successors, heirs, executors, administrators, and assigns.

2.12. “Released claims” means that, upon the occurrence of the Effective Date and in consideration of payment of the Settlement Amount, the Releasees shall be completely released, acquitted and forever discharged from any and all claims, demands, actions, suits, and causes of action (whether class, individual, or otherwise in nature); damages whenever incurred; and liabilities of any nature whatsoever, including costs, expenses, penalties, and attorney fees, that Releasors, or anyone of them, whether directly, representatively, derivatively, or in any other capacity, ever had, now have, or hereafter can, shall, or may have against the Releasees, whether known or unknown, that relate in any way to the facts, occurrences, transactions, other matters alleged in the Litigation, or that could have been asserted in the Litigation. The Releasors shall not, after the Effective Date of this Settlement Agreement, seek to recover against any of the Releasees for any of the Released Claims.

2.13. “Settlement” means the Settlement contemplated by the terms, conditions and provisions set forth in the Settlement Agreement.

2.14. “Settlement Agreement” means the Stipulation of Class Action Settlement dated December 14, 2009, by and among Plaintiffs, on behalf of themselves and each Class Member, and Northstar.

2.15. “Settlement Agreement Date” means December 14, 2009, the date as of which settling parties entered into the Settlement Agreement.

2.16 “Settling Parties” means collectively, each of the Plaintiffs, on behalf of themselves and each Class member, the Class, and Northstar.

III. FINAL APPROVAL OF SETTLEMENT

3.1. On December 21, 2009, this Court conditionally certified the Class for Settlement Purposes, and now reaffirms the same by Final Approval and this Order, as defined below:

All persons and entities in the United States who obtained or co-signed a student loan held by Northstar or a wholly-owned subsidiary of Northstar at the time of the Suspension of the Bonus on February 18, 2008, provided that the loan (a) is eligible to receive Bonus payments; and (b) had not been fully paid off at the time of the Suspension. Excluded from the Class are the Court and its employees; Northstar; any parent, subsidiary, or affiliate of Northstar; and all employees and directors who are or have been employed by Northstar during the relevant time period.

3.2. The terms of the Settlement Agreement are adjudged to be fair, reasonable, and adequate and in the best interests of Plaintiffs and the Class as a whole, and satisfy the requirements of Federal Rule of Civil Procedure 23(c)(2) and 23(e) and due process.

3.3. The Court finds that the Notice and the Notice Plan constituted the best notice practicable under the circumstances and constituted valid, due and sufficient notice to all person entitled thereto.

3.4. The Court finds that the separately-negotiated attorney fee structure provided in the Settlement Agreement is both fair and unique and hereby approved. The Notice provided to the Class of Class Counsel's request for an award of attorney fees, costs and expenses meets the requirements of Rule 23 of the Federal Rules of Civil Procedure and due process, was the best notice practicable under the circumstances, and constitutes due and sufficient notice to all persons entitled thereto.

3.5. Class Counsel are hereby awarded attorney fees in the amount up to \$4,500,000 of which \$2,000,000 will be guaranteed during the first four years following this Order and the balance of fees and contingent expenses to be paid, if at all, pursuant to the formulae set forth in the Stipulation of Class Action Settlement, *inter alia*, at § II.I.

3.6. The awards of attorney fees and expenses shall be allocated among Plaintiffs' counsel by Class Lead Counsel, Lockridge Grindal Nauen P.L.L.P., Wolf Haldenstein Adler Freeman & Herz LLC, and Zimmerman Reed PLLP in a manner that, in Class Counsel's good-faith judgment, reflects their contributions of time and money to the institution, prosecution and resolution of the litigation against Defendants.

3.6 At the request and suggestion of Class Counsel, and as part of the Settlement Agreement, the five certified Class Representative Plaintiffs John M. Guidos, John J. Guidos, Jennifer So, Jeffrey Pintar, and Chad Alan Staul are awarded incentive

awards in the amount of \$7,500 in addition to any distributions as part of the Settlement calculation to which they may be entitled, to compensate them for the time and efforts in leading this case for the benefits of the Class members.

3.7 The terms of the Settlement Agreement are hereby approved, and the Settling Parties are directed to implement the Settlement in accordance with its terms. Pursuant to the terms of the Settlement Agreement, upon completion of the payment structure set forth in the Settlement Agreement, Northstar shall have no further obligation or liabilities with respect to the Settlement.

IV. DISMISSAL OF ACTION AND RELEASE OF CLAIMS

4.1. This Litigation is dismissed with prejudice as to Northstar, and the Plaintiffs and all Class Members are barred from further prosecution of the Released Claims.

4.2. The Court hereby finds that the Released Claims of the Plaintiffs and the Class Members, on behalf of themselves and their respective predecessors, successors, heirs, executors, administrators, and assigns, are completely released, acquitted and forever discharged, by operation of this Final Approval Order and Judgment and as defined in paragraph 2.12 of this Order; i.e., “[T]he Releasees shall be completely released, acquitted and forever discharged from any and all claims, demands, actions, suits, and causes of action (whether class, individual, or otherwise in nature); damages whenever incurred; and liabilities of any nature whatsoever, including costs, expenses, penalties, and attorney fees, that Releasers, or anyone of them, whether directly, representatively, derivatively, or in any other capacity, ever had, now have, or hereafter

can, shall, or may have against the Releasees, whether known or unknown, that relate in any way to the facts, occurrences, transactions, other matters alleged in the Litigation, or that could have been asserted in the Litigation. The Releasors shall not, after the Effective Date of this Settlement Agreement, seek to recover against any of the Releasees for any of the Released Claims.”

4.3. Upon the occurrence of the Effective Date, Releasors shall be completely released, acquitted and forever discharged from any and all claims, demands, actions, suits, causes of action, damages whenever incurred, and liabilities of any nature whatsoever, including costs, expenses, penalties and attorney fees, that Releasees, or anyone of them, whether directly, representatively, derivatively, or any other capacity ever had, now have, or hereafter can, shall, or may have against Releasors whether known or unknown, relating in any way to the institution, prosecution, or assertion of the Class Action or the Released Claims.

4.4. The Settlement Agreement does not settle or compromise any claim other than the Released Claims against the Releasees. All rights of any Class Member against any person or entity other than the Releasees for claims made against Northstar are specifically reserved by Plaintiffs and the Class Members.

V. FINALITY OF JUDGMENT

5.1. The Court finds that this Final Approval Order and Judgment adjudicates all the claims, rights, and liabilities of the parties to the Settlement Agreement and is final and shall be immediately appealable. Neither this Order nor the Settlement Agreement

shall constitute any evidence or admission of liability by Northstar, nor shall either document or any other document relating to the Settlement be offered in evidence or used for any other purpose in this or any other matter or proceeding except as may be necessary to consummate or enforce the Settlement Agreement or the terms of this Order or if offered by Northstar in responding to any action purporting to assert Released Claims.

SO ORDERED.

Dated: April 8, 2010

s/Donovan W. Frank
DONOVAN W. FRANK
United States District Judge