

UNITED STATES DISTRICT COURT
District of Minnesota

Frank L. Cornish, as Trustee of the Cornish
Family Revocable Trust; and Evelyn York

JUDGMENT IN A CIVIL CASE

V.

Case Number: 08cv883 (DSD/JJG)

Monte E. Ford; Jess T. Hay; Judith K. Hofer,
Donald E. Kiernan; Robert C. Krueger; Philip
W. Milne; Linda Johnson Rice; Douglas L.
Rock; Orthon Ruiz-Montemayor, Albert M.
Teplin; Timothy R. Wallace; David J. Parrin;
Anthony P. Ryan; Thomas M. Hagerty; Scott L.
Jaekel; Seth W. Lawry; Pameal H. Patsley;
Ganesh Rao, Jean C. Benson; William J.
Putney; and MoneyGram International, Inc.

Jury Verdict. This action came before the Court for a trial by jury. The issues have been tried and the jury has rendered its verdict.

Decision by Court. This action came to trial or hearing before the Court. The issues have been tried or heard and a decision has been rendered.

IT IS ORDERED AND ADJUDGED THAT:

1. This Court has jurisdiction over the subject matter of the Litigation, including all matters necessary to effectuate the Settlement, and over all parties to the Litigation.
2. The Court finds and concludes that notice was given to MoneyGram's stockholders in compliance with the Court's Preliminary Approval, Notice and Hearing Order and that both the form of notice provided and the procedure used to provide notice is the best notice reasonably practicable under the circumstances, fully satisfies the requirements of Federal Rule of Civil Procedure 23.1 and the Constitution of the United States and any other applicable law, and constitutes due and sufficient notice to MoneyGram stockholders.
3. The Court finds that the Settlement is fair, reasonable and adequate to, and in the best interests of MoneyGram and its stockholders. The settlement is approved pursuant to Rule 23.1 of the Federal Rules of Civil Procedure.
4. The Court denies the Motion for Award of Attorney Fees and Reimbursement of Expenses [Doc. No. 27] filed on May 6, 2006 by Russell L. Berney, the Berney Law Corporation and the law firm of Howarth & Smith.
5. The Court overrules all Objections, including those which was filed on May 21, 2010 by Russell L.

Berney, the Berney Law Corporation and the law firm of Howarth & Smith and which were raised during the Settlement Hearing.

6. MoneyGram is ordered to implement the changes to MoneyGram's business, corporate governance and internal controls stated in Paragraph 3 of the Stipulation for the period of time stated in Paragraph 4 of the Stipulation, to the extent these changes have not already been implemented.

7. The Effective Date of the Settlement shall be one business day following the latest of the following events:

(a) The date upon which the time expires for filing or noticing any appeal of this Final Order and Judgment, other than an appeal solely with respect to an award of attorneys' fees and expenses (the "Fee and Expense Award"); and

(b) If there is an appeal or appeals, other than an appeal or appeals solely with respect to the Fee and Expense Award, the completion, in a manner that affirms and leaves in place the Final Order and Judgment, of all proceedings arising out of the appeal or appeals (including, but not limited to, the expiration of all deadlines for motions for reconsideration or petitions for certiorari, all proceedings ordered on remand, and all proceedings arising out of any subsequent appeal or appeals following decisions on remand).

8. Upon the Effective Date, the Released Claims (defined below) against the Released Persons (defined below) will be fully and finally released. The Released Claims against the Released Persons are the "Settled Claims."

9. The term "Released Persons" means the Plaintiffs, Defendants, MoneyGram and Related Persons. The term "Related Persons" means, for each of Plaintiffs, Defendants and MoneyGram, his, her or its past or present directors, officers, employees, general partners, limited partners, principals, members, managing members, insurers and coinsurers, re-insurers, controlling stockholders, attorneys, advisors, accountants, auditors, personal or legal representatives, predecessors, successors, divisions, joint ventures, assigns, spouses, heirs, executors, parents, subsidiaries, affiliates (including the officers and directors of such parents, subsidiaries, and affiliates), any entity in which he, she or it has a controlling interest, any member of his, her or its immediate family, or any trust of which he, she or it is the settlor or which is for the benefit of any member of his, her or its immediate family.

10. The term "Released Claims" means:

(a) All claims, causes of action and rights, known and unknown, that have been, could have been, or are in the future asserted by or derivatively on behalf of MoneyGram against Released Persons, whether based on federal, state or other law, rule or regulation, that arise out of or relate in any manner to MoneyGram's investment portfolio and losses suffered by MoneyGram related to its investment portfolio, MoneyGram's internal accounting and controls, sales of MoneyGram stock during 2007 and 2008, repurchases by MoneyGram of its stock during 2007, issues relating to MoneyGram's liquidity in 2007 and 2008, MoneyGram's response to Euronet Worldwide's expression of interest in entering into a transaction with MoneyGram in 2007, MoneyGram's recapitalization in 2008, agreements entered into by MoneyGram with, and payments made by MoneyGram to, Messrs. Milne and Parrin and Teresa Johnson and Anthony Ryan, MoneyGram's disclosures concerning all of these subjects, and any other claims in the Litigation or concerning the subject matter of the Litigation, including but not limited to the changes in MoneyGram's business, corporate governance and internal controls that are stated in Paragraphs 2 and 3 of the Stipulation,

and the decision to enter into this Settlement. The Released Claims include claims concerning the subject matter stated in this Paragraph that have been, could have been, or are in the future asserted derivatively on behalf of MoneyGram by the plaintiff or plaintiffs (as well as any other claims belonging to MoneyGram, regardless of how the claims are characterized by the plaintiff or plaintiffs) in any other action, including but not limited to an action pending in the Superior Court of the State of California, Los Angeles County, entitled *Berney v. MoneyGram International, Inc.*, No. BC 384089 (Super. Ct. Cal. filed Jan. 22, 2008). The Released Claims include claims concerning the subject matter stated in this Paragraph that have been, could have been, or are in the future asserted derivatively on behalf of MoneyGram whether or not the plaintiff or plaintiffs asserting the claim makes a pre-suit demand pursuant to Federal Rule of Civil Procedure 23.1, Delaware Court of Chancery Rule 23.1 or any similar, comparable or equivalent statute or rule in any other jurisdiction, and whether or not the plaintiff or plaintiffs asserting the claim contends that a pre-suit demand pursuant to Federal Rule of Civil Procedure 23.1, Delaware Court of Chancery Rule 23.1 or any similar, comparable or equivalent statute or rule in any other jurisdiction is excused or has been wrongfully refused. The Released Claims do not include any claims asserted by the plaintiff in the *Berney* action that are properly characterized as individual claims (and that are not properly characterized as derivative claims on behalf of MoneyGram);

(b) All claims, causes of action and rights, known or unknown, by Defendants and their Related Persons against MoneyGram and its Related Persons arising out of, relating to, or in connection with the subject matter of the claims by or on behalf of MoneyGram stated in Paragraph 8(a) above. Notwithstanding the foregoing, the Released Claims do not include claims belonging to Defendants or MoneyGram against their insurers or claims belonging to Defendants against MoneyGram arising out of indemnification and advancement obligations pursuant to Delaware law, MoneyGram's certificate of incorporation, bylaws, or other agreement relating to indemnification and advancement. Those claims are the subject of separate agreements between Defendants, MoneyGram and/or their insureds; and

(c) All claims, causes of action and rights, known or unknown, by Defendants and MoneyGram against Plaintiffs, Plaintiffs' Counsel and their Related Persons arising out of, relating to, or in connection with the institution, prosecution assertion, settlement, or resolution of the Litigation and the Settled Claims and a previously dismissed related action described in the Stipulation, *York v. Ford*, No. 08-CV-04799 (D. Minn. Sept. 18, 2008).

(d) Notwithstanding the foregoing, the Released Claims do not include any claims to enforce the Settlement and the Final Order and Judgment, including, without limitation, any or all of their terms, including but not limited to the releases provided for in the Final Order and Judgment.

(e) The term "unknown" (as used in the definition of the Released Claims) means claims which any one or more of Plaintiffs, Defendants, MoneyGram or any of their Related Persons does not know or suspect to exist, but which, if known by him, her or it might affect his, her or its agreement to release the Settled Claims or might affect his, her or its decision to object or not to object to the Settlement. Upon the Effective Date, Plaintiffs, Defendants, MoneyGram and their Related Persons shall be deemed to have, and by operation of the Final Order and Judgment shall have, expressly waived and relinquished, to the full extent permitted by law, the provisions, rights and benefits of California Civil Code § 1542, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Upon the Effective Date, Plaintiffs, Defendants and MoneyGram and their Related Persons also shall be

deemed to have, and shall have, waived any and all provisions, rights and benefits conferred by any law or any state or territory of the United States, or principle of common law, or the law of any foreign jurisdiction, which is similar, comparable or equivalent to California Civil Code § 1542. Plaintiffs, Defendants and MoneyGram acknowledge that they may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Settled Claims, but that it is their intention, on behalf of themselves and their Related Persons, to fully and finally settle and release the Settled Claims, including unknown claims, as defined in this Paragraph.

11. The Court permanently enjoins all MoneyGram stockholders (or anyone else purporting to act or on behalf of MoneyGram or anyone purporting to act on behalf of any MoneyGram stockholder or stockholders) from commencing, prosecuting, continuing or otherwise participating in, either directly or indirectly, any action or proceeding asserting any of the Settled Claims in this or any other forum, including but not limited to the action pending in the Superior Court of the State of California, Los Angeles County, with the caption *Berney v. MoneyGram International, Inc.*, No. BC 384089 (Super. Ct. Cal. filed Jan. 22, 2008).

12. The Court dismisses the Litigation with prejudice and without costs except as provided for in this Final Order and Judgment.

13. Whether or not the Effective Date of the Settlement occurs, and thus whether or not the Settlement becomes effective in accordance with the terms stated in the Stipulation, the fact and terms of this Final Order and Judgment and the Settlement, all negotiations, discussions, drafts and proceedings in connection with this Final Order and Judgment and the Settlement, and any act performed or document signed in connection with this Final Order and Judgment and the Settlement, shall not, in this or any other court, administrative agency, arbitration forum or other tribunal, constitute an admission of, or evidence of, or be deemed to create any inference of (i) any acts of wrongdoing or lack of wrongdoing, (ii) any liability on the part of Defendants or anyone else, (iii) any deficiency of any claim or defense that has been or could have been asserted in the Litigation, (iv) any damages, or lack of damages, suffered by MoneyGram, or (v) that the Settlement represents the outcome that could or would have resulted if the Litigation was not settled at this point in time.

14. Whether or not the Effective Date of the Settlement occurs, and thus whether or not the Settlement becomes effective in accordance with the terms stated in the Stipulation, the fact and terms of this Final Order and Judgment and the Settlement, all negotiations, discussions, drafts and proceedings in connection with this Final Order and Judgment and the Settlement, and any act performed or document signed in connection with this Final Order and Judgment and the Settlement, shall not be offered or received in evidence or used for any other purpose in this or any other proceeding in any court, administrative agency, arbitration forum or other tribunal, except as necessary to enforce the terms of this Final Order and Judgment and the Settlement, including, but not limited to, the releases provided for in this Final Order and Judgment and the Settlement. MoneyGram, Defendants and other Released Persons may file the Stipulation and the Final Order and Judgment in any other action or proceeding in any forum in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release and discharge, good faith settlement, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim.

15. In the event that the Effective Date of the Settlement does not occur for any reason and the Settlement

thus fails to become effective in accordance with the terms stated in the Stipulation:

(a) Plaintiffs, Defendants and MoneyGram will return to the positions they occupied vis-à-vis each other and in the Litigation on February 24, 2010, without prejudice in any way, except as stated in Paragraph 14 of the Stipulation;

(b) Any Fee and Expense Award that has been paid will be returned pursuant to the provisions in Paragraph 18 of the Stipulation; and

(c) This Final Order and Judgment and the Settlement, shall be null and void and have no further force or effect, and shall not be referred to, admissible in or introduced in any other way except as stated in Paragraphs 14(c) and 16 of the Stipulation and Paragraph 12 of this Order.

16. Without affecting the finality of the Final Order and Judgment, the Court shall retain jurisdiction with respect to the effectuation and enforcement of the terms of the Stipulation and the Final Order and Judgment.

17. The Court approves the Fee and Expense Award of \$1,250,000.00, and finds that the fee is fair and reasonable, to be paid in accordance with the terms stated in Paragraph 17 of the Stipulation.

June 24, 2010

Date

RICHARD D. SLETTEN, CLERK

s/Thomas S. Schappa

(By)

Thomas S. Schappa, Deputy Clerk



**UNITED STATES DISTRICT COURT
District of Minnesota**

Richard D. Sletten, Clerk
Wendy S. Osterberg, Chief Deputy Clerk

700 Federal Building
316 North Robert Street
St. Paul, MN 55101
(651) 848-1100

202 U.S. Courthouse
300 South Fourth Street
Minneapolis, MN 55415
(612) 664-5000

417 Federal Building
515 West. First Street
Duluth, MN 55802
(218) 529-3500

212 U.S. Courthouse
118 South Mill Street
Fergus Falls, MN 56537
(218) 739-5758

CIVIL NOTICE

The appeal filing fee is \$455.00. If you are indigent, you can apply for leave to proceed in forma pauperis, ("IFP").

The purpose of this notice is to summarize the time limits for filing with the District Court Clerk's Office a Notice of Appeal to the Eighth Circuit Court of Appeals from a final decision of the District Court in a civil case.

This is a summary only. For specific information on the time limits for filing a Notice of Appeal, review the applicable federal civil and appellate procedure rules and statutes.

Rule 4(a) of the Federal Rules of Appellate Procedure (Fed. R. App. P.) requires that a Notice of Appeal be filed within:

1. Thirty days (60 days if the United States is a party) after the date of "entry of the judgment or order appealed from;" or
2. Thirty days (60 days if the United States is a party) after the date of entry of an order denying a timely motion for a new trial under Fed. R. Civ. P. 59; or
3. Thirty days (60 days if the United States is a party) after the date of entry of an order granting or denying a timely motion for judgment under Fed. R. Civ. P. 50(b), to amend or make additional findings of fact under Fed. R. Civ. P. 52(b), and/or to alter or amend the judgment under Fed. R. Civ. P. 59; or
4. Fourteen days after the date on which a previously timely Notice of Appeal was filed.

If a Notice of Appeal is not timely filed, a party in a civil case can move the District Court pursuant to Fed. R. App. P. 4(a)(5) to extend the time for filing a Notice of Appeal. This motion must be filed no later than 30 days after the period for filing a Notice of Appeal expires. If the motion is filed after the period for filing a Notice of Appeal expires, the party bringing the motion must give the opposing parties notice of it. The District Court may grant the motion, but only if excusable neglect or good cause is shown for failing to file a timely Notice of Appeal.

United States Court of Appeals FOR THE EIGHTH CIRCUIT

Prehearing Conference Program

The United States Court of Appeals for the Eighth Circuit has established an early intervention Prehearing Conference Program. The purpose of the program is twofold: (1) to facilitate settlement discussions in civil cases by providing an impartial atmosphere for an open discussion of the case and alternative methods of disposition and (2) to promote the delineation of issues, early resolution of procedural problems, and effective administration of an appeal throughout the appellate process. See 8th Cir. R. 33A.

The program is directed by Mr. John Martin. Mr. Martin screens newly filed appeals based on information furnished by both appellants and appellees in the court's Appeal Information Forms A and B. Contact with counsel is by telephone and in personal conferences held in several cities throughout the Circuit. All communications with Mr. Martin are confidential. Counsel can openly discuss and evaluate the issues and explore alternatives in a non-adversarial setting without fear that the subsequent processing of the appeal or ultimate disposition of the case will be adversely affected by participation in the program.

Participation in the program is voluntary. However, the Court strongly encourages your participation and cooperation. Over the past twenty years, the program has enabled many appellate litigants to achieve mutually satisfactory resolution of certain issues or an overall settlement prior to progressing through all stages of the appellate process. Issue delineation enables counsel to focus only on those issues that need judicial resolution. The program has helped relieve the ever-increasing caseload confronting the Court, and it has also saved litigants and attorneys substantial amounts of time and money.

In order for the program to function effectively certain information must be provided at the initiation of the appeal. *Eighth Circuit Rule 3B directs each civil appellant to: (1) file a completed Appeal Information Form A with the Notice of Appeal at the time the Notice is filed with the District Court clerk and (2) forward a copy of the completed Form A and a copy of Appeal Information Form B to the appellee for completion.* Appellee may complete Form B and send it to the clerk of the Court of Appeals. If you have any questions about the Prehearing Conference Program or the Appeal Information Forms, please contact Mr. Martin at (314)-244-2499.

Forms A and B are available from the District Court clerk and the Court of Appeals clerk and can be found on the forms page of the Court of Appeals' website at: <http://www.ca8.uscourts.gov> and the District Court's website at: <http://www.mnd.uscourts.gov>.

October 27, 2004