

EXHIBIT 1

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

RICHARD GOODMAN, Individually And
As Trustee of the Richard M. Goodman
Revocable Living Trust, And On Behalf Of
All Others Similarly Situated,

Plaintiff,

vs.

UBS FINANCIAL SERVICES INC.,

Defendant.

Case No.: 2:21-cv-18123-KM-MAH

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement, dated as of June 8, 2023 (the “Stipulation”) is entered into between (a) plaintiff Richard Goodman, individually and as Trustee of the Richard M. Goodman Revocable Living Trust (“Plaintiff”), on behalf of himself and the Settlement Class (defined below); and (b) defendant UBS Financial Services Inc. (“Defendant” or “UBS”; and together with Plaintiff, the “Parties”), and embodies the terms and conditions of the settlement of the above-captioned action (the “Action”).¹ Subject to the approval of the Court and the terms and conditions expressly provided herein, this Stipulation is intended to fully, finally and forever compromise, settle, release, resolve, and dismiss with prejudice the Action and all claims asserted therein against Defendant.

WHEREAS:

A. On October 5, 2021, Plaintiff filed a putative class action complaint in the United States District Court for the District of New Jersey (the “Court”), alleging that, beginning with the

¹ All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to them in ¶ 1 herein.

2014 tax year, UBS failed to report amortizable bond premium, if any, on clients' taxable municipal bonds and bringing claims for breach of contract, breach of the implied covenant of good faith and fair dealing, breach of fiduciary duty, negligent misrepresentation, negligence, negligence per se, and punitive damages, on behalf of himself and a putative class of all persons in the United States who, on or after January 1, 2014, acquired taxable municipal securities in an account maintained by UBS and who received an IRS Form 1099 from UBS incorrectly reporting the amount of amortizable bond premium, thereby sustaining financial harm as a result.

B. On December 22, 2021, UBS moved to dismiss the complaint for failure to state a claim, and Plaintiff opposed that motion.

C. On June 30, 2022, the Court granted in part and denied in part UBS's motion to dismiss.

D. The Parties and their respective counsel exchanged information necessary to pursue settlement discussions and participated in a full-day in-person mediation on November 17, 2022 conducted by Robert Meyer of JAMS; and, after extensive arms-length negotiations during and in the weeks following the mediation, the Parties reached an agreement in principle to settle the Action on behalf of Plaintiff and members of a Settlement Class.

E. After reaching an agreement in principle on settlement terms, the Parties engaged in confirmatory discovery regarding the putative class's claims, which included an interview of a UBS employee with knowledge of the subject matter by Lead Plaintiff's Counsel.

F. The confirmatory discovery process confirmed for Lead Plaintiff's Counsel that the Settlement is fair, reasonable and adequate to Plaintiff and the other members of the Settlement Class.

G. This Stipulation (together with the exhibits hereto) reflects the final and binding agreement between the Parties.

H. Based upon their investigation, prosecution and mediation of the case, Plaintiff and Lead Plaintiff's Counsel have concluded that the terms and conditions of this Stipulation are fair, reasonable and adequate to Plaintiff and the other members of the Settlement Class, and in their best interests. Based on Plaintiff's direct oversight of the prosecution of this matter and with the advice of his counsel, Plaintiff has agreed to settle and release the claims raised in the Action pursuant to the terms and provisions of this Stipulation, after considering, among other things: (a) the substantial financial benefit that Plaintiff and the other members of the Settlement Class will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial.

I. This Stipulation constitutes a compromise of matters that are in dispute between the Parties. Defendant is entering into this Stipulation solely to eliminate the uncertainty, burden and expense of further protracted litigation. Defendant denies any wrongdoing, and this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of the Defendant with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendant has, or could have, asserted. Defendant expressly denies that Plaintiff has asserted any valid claims, and expressly denies any and all allegations of fault, liability, wrongdoing or damages whatsoever. Similarly, this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of Plaintiff of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendant's defenses to liability had any merit. Each of the Parties recognizes and acknowledges, however, that the Action has been

initiated, filed and prosecuted by Plaintiff in good faith and defended by Defendant in good faith, that the Action is being voluntarily settled with the advice of counsel, and that the terms of the Settlement are fair, adequate and reasonable.

NOW THEREFORE, it is hereby STIPULATED AND AGREED, by and among Plaintiff (individually and on behalf of all other members of the Settlement Class) and Defendant, by and through their respective undersigned attorneys and subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the benefits flowing to the Parties from the Settlement, all Released Plaintiff's Claims as against the Defendant's Releasees and all Released Defendant's Claims as against the Plaintiff's Releasees shall be settled and released, upon and subject to the terms and conditions set forth below.

DEFINITIONS

1. As used in this Stipulation and any exhibits attached hereto and made a part hereof, the following capitalized terms shall have the following meanings:

(a) "Action" means the class action in the matter styled *Goodman v. UBS Financial Services Inc.*, Civil Action No. 2:21-cv-18123-KM-MAH (D.N.J.).

(b) "Alternate Judgment" means a form of final judgment that may be entered by the Court herein but in a form other than the form of Judgment provided for in this Stipulation.

(c) "At-Issue Taxable Municipal Securities" means Build America Bonds and certain other bonds created under the American Recovery and Reinvestment Act of 2009 (ARRA), consisting of TED (Tribal Economic Development Bonds); QZA (Qualified Zone Academy Bonds); QEC (Qualified Energy Conservation Bonds); QSC (Qualified School Construction Bonds); RZF (Recovery Zone Facility Bonds); RZE (Recovery Zone Economic Development

Bonds); RZP (Recovery Zone Private Activity Bonds); and CRE (Clean Renewable Energy Bonds).

(d) “Authorized Claimant” means a Settlement Class Member that is approved for payment from the Net Settlement Fund by the Settlement Administrator.

(e) “Complaint” means the Class Action Complaint filed by Plaintiff in the Action on October 5, 2021 (ECF No. 1).

(f) “Court” means the United States District Court for the District of New Jersey.

(g) “Defendant” means UBS.

(h) “Defendant’s Counsel” means Wilmer Cutler Pickering Hale And Dorr LLP.

(i) “Defendant’s Releasees” means UBS and its present, former, and future parents, subsidiaries, divisions, and related or affiliated entities, and each of UBS’s and its respective predecessors’ or successors’ directors, officers, employees, principals, agents, attorneys, insurers, and reinsurers, and includes, without limitation, any person or company related to any such entity that could have been named as a defendant in the Action with respect to Released Plaintiff’s Claims, all in their capacities as such.

(j) “Effective Date” with respect to the Settlement means the first date by which all of the events and conditions specified in ¶ 31 of this Stipulation have been met and have occurred or have been waived.

(k) “Escrow Account” means an account maintained at Huntington National Bank wherein the Settlement Amount shall be deposited and held in escrow under the control of Lead Plaintiff’s Counsel.

(l) “Escrow Agent” means Huntington National Bank.

(m) “Escrow Agreement” means the agreement between Lead Plaintiff’s Counsel and the Escrow Agent setting forth the terms under which the Escrow Agent shall maintain the Escrow Account.

(n) “Final,” with respect to the Judgment or, if applicable, the Alternate Judgment, or any other court order, means: (i) if no appeal is filed, the expiration date of the time provided for filing or noticing any appeal under the Federal Rules of Appellate Procedure, *i.e.*, thirty (30) days after entry of the judgment or order; or (ii) if there is an appeal from the judgment or order, (a) the date of final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise, or (b) the date the judgment or order is finally affirmed on an appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review, and, if certiorari or other form of review is granted, the date of final affirmance following review pursuant to that grant. However, any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to (i) attorneys’ fees, costs or expenses, or (ii) the plan of allocation of Settlement proceeds (as submitted or subsequently modified), shall not in any way delay or preclude a judgment from becoming Final.

(o) “Judgment” means the final judgment, substantially in the form attached hereto as Exhibit B, to be entered by the Court approving the Settlement.

(p) “Lead Plaintiff’s Counsel” means the law firm of Glancy Prongay & Murray LLP.

(q) “Litigation Expenses” means costs and expenses incurred in connection with commencing, prosecuting and settling the Action (including a service award to Plaintiff

related to his representation of the Settlement Class), for which Lead Plaintiff's Counsel intends to apply to the Court for reimbursement from the Settlement Fund.

(r) "Net Settlement Fund" means the Settlement Fund less: (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; and (iv) any attorneys' fees awarded by the Court.

(s) "Notice" means the Notice of (I) Pendency of Class Action, Certification of Settlement Class, and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses, substantially in the form attached hereto as Exhibit 1 to Exhibit A, which is to be made available on the Settlement Website and emailed to Settlement Class Members.

(t) "Notice and Administration Costs" means the costs, fees and expenses that are incurred by the Settlement Administrator and/or Lead Plaintiff's Counsel in connection with: (i) providing notices to the Settlement Class; and (ii) administering the Settlement, including but not limited to costs, fees and expenses incurred in connection with the Escrow Account.

(u) "Officer" means any officer as that term is defined in Securities and Exchange Act Rule 16a-1(f).

(v) "Parties" means Defendant and Plaintiff, on behalf of himself and the Settlement Class.

(w) "Plaintiff" means the Plaintiff Richard Goodman, individually and as Trustee of the Richard M. Goodman Revocable Living Trust.

(x) "Plaintiff's Counsel" means Lead Plaintiff's Counsel and all other legal counsel who, at the direction and under the supervision of Lead Plaintiff's Counsel, performed

services on behalf of the Settlement Class in the Action, including Goodman Hurwitz & James, P.C.

(y) “Plaintiff’s Releasees” means Plaintiff, his respective attorneys, and all other Settlement Class Members, and their respective current and former officers, directors, agents, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, employees, trusts, trustees, and attorneys, all in their capacities as such.

(z) “Plan of Allocation” means the proposed plan of allocation of the Net Settlement Fund set forth in the Notice.

(aa) “Postcard Notice” means the Postcard Notice of (I) Pendency of Class Action, Certification of Settlement Class, and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses, substantially in the form attached hereto as Exhibit 2 to Exhibit A, which is to be mailed to Settlement Class Members.

(bb) “Preliminary Approval Order” means the order, substantially in the form attached hereto as Exhibit A, to be entered by the Court preliminarily approving the Settlement and directing that notice of the Settlement be provided to the Settlement Class.

(cc) “Released Claims” means all Released Defendant’s Claims and all Released Plaintiff’s Claims.

(dd) “Released Defendant’s Claims” means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether asserted or unasserted, whether accrued or un-acrued, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action against the Defendant. Released Defendant’s Claims do not

include: (i) any claims relating to the enforcement of the Settlement; or (ii) any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

(ee) “Released Plaintiff’s Claims” means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether asserted or unasserted, whether accrued or un-accrued, whether arising under federal, state, common or foreign law, that Plaintiff or any other member of the Settlement Class: (i) asserted in the Complaint; (ii) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint during the Settlement Class Period; or (iii) otherwise arise out of or relate in any way to the defense or settlement of the claims asserted in the Action against the Defendant. Released Plaintiff’s Claims do not include: (i) any claims relating to the enforcement of the Settlement; and (ii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

(ff) “Releasee(s)” means each and any of the Defendant’s Releasees and each and any of the Plaintiff’s Releasees.

(gg) “Releases” means the releases set forth in ¶¶ 5-6 of this Stipulation.

(hh) “Settlement” means the settlement between Plaintiff and Defendant on the terms and conditions set forth in this Stipulation.

(ii) “Settlement Administrator” means Strategic Claims Services, the firm retained by Plaintiff and Lead Plaintiff’s Counsel, subject to approval of the Court, to provide all notices approved by the Court to potential Settlement Class Members and to administer the Settlement.

(jj) “Settlement Amount” means of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) in cash.

(kk) “Settlement Class” means all persons and entities in the United States that acquired At-Issue Taxable Municipal Securities at a premium (above par value) in a taxable account maintained by UBS between January 1, 2014 through December 31, 2019, inclusive, and who received a Form 1099 from UBS. Excluded from the Settlement Class are Defendant; the Officers and/or directors of UBS; any person, firm, trust, corporation, Officer, director or other individual or entity in which Defendant has a controlling interest or which is related to or affiliated with the Defendant; and the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Settlement Class are any persons and entities who or which exclude themselves by submitting a request for exclusion that is accepted by the Court.

(ll) “Settlement Class Member” means each person and entity who or which is a member of the Settlement Class.

(mm) “Settlement Class Period” means the period between January 1, 2014 through December 31, 2019, inclusive.

(nn) “Settlement Fund” means the Settlement Amount plus any and all interest earned thereon.

(oo) “Settlement Hearing” means the hearing set by the Court under Rule 23(e)(2) of the Federal Rules of Civil Procedure to consider final approval of the Settlement.

(pp) “Taxes” means: (i) all federal, state and/or local taxes of any kind (including any interest or penalties thereon) on any income earned by the Settlement Fund; (ii) the expenses and costs incurred by Lead Plaintiff’s Counsel in connection with determining the amount of, and

paying, any taxes owed by the Settlement Fund (including, without limitation, expenses of tax attorneys and accountants); and (iii) all taxes imposed on payments by the Settlement Fund, including withholding taxes.

(qq) “UBS” means UBS Financial Services Inc.

(rr) “Unknown Claims” means any Released Plaintiff’s Claims which Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Defendant’s Claims which Defendant does not know or suspect to exist in its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiff and Defendant shall expressly waive, and each of the other Settlement Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

The Parties acknowledge, and each of the other releasing parties shall be deemed by operation of law to have acknowledged, that they may hereafter discover facts, legal theories or authorities in addition to or different from those which they or their respective counsel now know or believe to be true with respect to the subject matter of the Released Claims that, had they known, may have affected their decision to enter into this Stipulation, but they are notwithstanding this potential

entering into this Stipulation and intend it to be a full, final, and permanent resolution of the matters at issue in this Action. Plaintiff and Defendant acknowledge, and each of the other releasing parties shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

CLASS CERTIFICATION

2. Solely for purposes of the Settlement and for no other purpose, Defendant agrees not to oppose: (a) certification of the Action as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement Class; (b) certification of Plaintiff as Class Representative for the Settlement Class; and (c) appointment of Lead Plaintiff's Counsel as Class Counsel for the Settlement Class pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

PRELIMINARY APPROVAL OF SETTLEMENT

3. Promptly upon execution of this Stipulation, Plaintiff will move for preliminary approval of the Settlement, certification of the Settlement Class for settlement purposes only, and the scheduling of a hearing for consideration of final approval of the Settlement, which motion shall be unopposed by Defendant. Concurrently with the motion for preliminary approval, Plaintiff shall apply to the Court for, and Defendant shall not oppose, entry of the Preliminary Approval Order, substantially in the form attached hereto as Exhibit A.

RELEASE OF CLAIMS

4. The obligations incurred pursuant to this Stipulation are in consideration of: (i) the full and final disposition of the Action as against Defendant; and (ii) the Releases provided for herein.

5. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further action by anyone, upon the Effective Date of the Settlement, Plaintiff and each of the other Settlement Class Members, on behalf of themselves, and on behalf of any other person or entity legally entitled to bring Released Plaintiff's Claims on behalf of the respective Settlement Class Member in such capacity only, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiff's Claim against the Defendant and the other Defendant's Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiff's Claims against any of the Defendant's Releasees. This release shall not apply to any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

6. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further action by anyone, upon the Effective Date of the Settlement, Defendant, on behalf of itself, and on behalf of any other person or entity legally entitled to bring Released Defendant's Claims on behalf of the Defendant in such capacity only, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendant's Claim against Plaintiff and the other Plaintiff's Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Defendant's Claims against any of the Plaintiff's Releasees. This release shall not apply to any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

7. Notwithstanding ¶¶ 5-6 above, nothing in the Judgment, or the Alternate Judgment, if applicable, shall bar any action by any of the Parties to enforce or effectuate the terms of this Stipulation or the Judgment, or Alternate Judgment, if applicable.

THE SETTLEMENT CONSIDERATION

8. In consideration of the settlement of the Released Plaintiff's Claims against Defendant and the other Defendant's Releasees, Defendant shall pay or cause to be paid the Settlement Amount into the Escrow Account no later than ten (10) business days after the later of: (a) the date of entry by the Court of an order preliminarily approving this Settlement; or (b) Defendant's Counsel's receipt from Lead Plaintiff's Counsel of the information necessary to effectuate a transfer of funds to the Escrow Account, including wiring instructions that include the bank name and ABA routing number, account name and number, and a signed W-9 reflecting a valid taxpayer identification number for the qualified settlement fund in which the Settlement Amount is to be deposited.

USE OF SETTLEMENT FUND

9. The Settlement Fund shall be used to pay: (a) any Taxes; (b) any Notice and Administration Costs; (c) any Litigation Expenses awarded by the Court; and (d) any attorneys' fees awarded by the Court. The balance remaining in the Settlement Fund, that is, the Net Settlement Fund, shall be distributed to Authorized Claimants as provided in ¶¶ 18-29 below.

10. Except as provided herein or pursuant to orders of the Court, the Net Settlement Fund shall remain in the Escrow Account prior to the Effective Date. All funds held by the Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned pursuant to the terms of this Stipulation and/or further order of the Court. The Escrow Agent shall invest any funds in the

Escrow Account exclusively in instruments or accounts backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof, including U.S. Treasury Bills, a U.S. Treasury Fund, or a bank account that is either: (a) fully insured by the Federal Deposit Insurance Corporation; or (b) secured by instruments backed by the full faith and credit of the United States Government. The Escrow Agent shall reinvest the proceeds of these instruments or accounts as they mature in similar instruments or accounts at their then-current market rates.

11. The Parties agree that the Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1 and that Lead Plaintiff's Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be solely responsible for filing or causing to be filed all informational and other tax returns as may be necessary or appropriate (including, without limitation, the returns described in Treasury Regulation § 1.468B-2(k)) for the Settlement Fund. Lead Plaintiff's Counsel shall also be responsible for causing payment to be made from the Settlement Fund of any Taxes owed with respect to the Settlement Fund. The Defendant's Releasees shall not have any liability or responsibility for any such Taxes. Upon written request, Defendant will provide to Lead Plaintiff's Counsel the statement described in Treasury Regulation § 1.468B-3(e). Lead Plaintiff's Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall timely make such elections as are necessary or advisable to carry out this paragraph, including, as necessary, making a "relation back election," as described in Treasury Regulation § 1.468B-1(j), to cause the Qualified Settlement Fund to come into existence at the earliest allowable date, and shall take or cause to be taken all actions as may be necessary or appropriate in connection therewith.

12. All Taxes shall be paid out of the Settlement Fund, and shall be timely paid by the Escrow Agent pursuant to the disbursement instructions to be set forth in the Escrow Agreement, and without further order of the Court. Any tax returns prepared for the Settlement Fund (as well as the election set forth therein) shall be consistent with the previous paragraph and in all events shall reflect that all Taxes on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided herein. The Defendant's Releasees shall have no responsibility or liability for the acts or omissions of Lead Plaintiff's Counsel or its agents with respect to the payment of Taxes, as described herein.

13. The Settlement is not a claims-made settlement. Upon the occurrence of the Effective Date, no Defendant, Defendant's Releasee, or any other person or entity who or which paid any portion of the Settlement Amount shall have any right to the return of the Settlement Fund or any portion thereof for any reason whatsoever, including without limitation, the number of Settlement Class Members determined to be eligible to receive a distribution from the Net Settlement Fund, the collective amount of Recognized Claims of Authorized Claimants, the percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the Net Settlement Fund.

14. Notwithstanding the fact that the Effective Date of the Settlement has not yet occurred, Lead Plaintiff's Counsel may pay from the Settlement Fund, without further approval from Defendant or further order of the Court, all Notice and Administration Costs actually incurred and paid or payable. Such costs and expenses shall include, without limitation, the actual costs of printing and mailing the Postcard Notice or emailing the Notice, establishing the settlement website, the administrative expenses incurred and fees charged by the Settlement Administrator in connection with providing notice and administering the Settlement, and the fees, if any, of the

Escrow Agent. In the event that the Settlement is terminated pursuant to the terms of this Stipulation, all Notice and Administration Costs paid or incurred, including any related fees, shall not be returned or repaid to Defendant, any of the other Defendant's Releasees, or any other person or entity who or which paid any portion of the Settlement Amount.

ATTORNEYS' FEES AND LITIGATION EXPENSES

15. Lead Plaintiff's Counsel will apply to the Court for a collective award of attorneys' fees to Plaintiff's Counsel to be paid from (and out of) the Settlement Fund. Lead Plaintiff's Counsel also will apply to the Court for reimbursement of Litigation Expenses, including a request for a service award to Plaintiff for representation of the Settlement Class, to be paid from (and out of) the Settlement Fund. Lead Plaintiff's Counsel's application for an award of attorneys' fees and/or Litigation Expenses is not the subject of any agreement between Defendant and Plaintiff other than what is set forth in this Stipulation.

16. Any attorneys' fees and Litigation Expenses that are awarded by the Court shall be paid to Lead Plaintiff's Counsel immediately upon award, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to Lead Plaintiff's Counsel's obligation to make appropriate refunds or repayments to the Settlement Fund, plus accrued interest at the same net rate as is earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of this Stipulation or if, as a result of any appeal or further proceedings on remand, or successful collateral attack, the award of attorneys' fees and/or Litigation Expenses is reduced or reversed and such order reducing or reversing the award has become Final. Lead Plaintiff's Counsel shall make the appropriate refund or repayment in full no later than thirty (30) days after: (a) receiving from Defendant's Counsel notice of the termination of the Settlement; or (b) any order reducing or reversing the

award of attorneys' fees and/or Litigation Expenses has become Final. An award of attorneys' fees and/or Litigation Expenses is not a necessary term of this Stipulation and is not a condition of the Settlement embodied herein. Neither Plaintiff nor any Plaintiff's Counsel may cancel or terminate the Settlement based on this Court's or any appellate court's ruling with respect to the award and/or allocation of attorneys' fees and/or Litigation Expenses.

17. Lead Plaintiff's Counsel shall allocate the attorneys' fees awarded amongst Plaintiff's Counsel in a manner which it, in good faith, believes reflects the contributions of such counsel to the institution, prosecution and settlement of the Action. Defendant and Defendant's Releasees shall have no responsibility for or liability whatsoever with respect to the award or allocation of attorneys' fees or Litigation Expenses. The attorneys' fees and Litigation Expenses that are awarded to Plaintiff's Counsel shall be payable solely from the Escrow Account.

NOTICE AND SETTLEMENT ADMINISTRATION

18. As part of the Preliminary Approval Order, Plaintiff shall seek appointment of a Settlement Administrator. The Settlement Administrator shall administer the Settlement under Lead Plaintiff's Counsel's supervision and subject to the jurisdiction of the Court. Other than UBS's obligation to provide the Settlement Class Member information set forth in ¶ 19 below, and data concerning the relevant At-Issue Taxable Municipal Bond transactions of the Settlement Class Members during the Settlement Class Period, neither the Defendant, nor any other Defendant's Releasees, shall have any involvement in or any responsibility, authority or liability whatsoever for the selection of the Settlement Administrator, the Plan of Allocation, the administration of the Settlement, or disbursement of the Net Settlement Fund, and shall have no liability whatsoever to any person or entity, including, but not limited to, Plaintiff, any other Settlement Class Members

or Lead Plaintiff's Counsel in connection with the foregoing. Defendant's Counsel shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms.

19. In accordance with the terms of the Preliminary Approval Order to be entered by the Court, Lead Plaintiff's Counsel shall cause the Settlement Administrator to mail the Postcard Notice to those members of the Settlement Class as may be identified through reasonable effort. Lead Plaintiff's Counsel shall also cause the Settlement Administrator to email the Notice to those members of the Settlement Class as may be identified by email through reasonable effort, and to post downloadable copies of the Notice online at www.UBSTaxSettlement.com (the "Settlement Website") in accordance with the terms of the Preliminary Approval Order to be entered by the Court. For the purposes of identifying and providing notice to the Settlement Class, within ten (10) business days of the date of entry of the Preliminary Approval Order, UBS shall provide or cause to be provided to the Settlement Administrator in electronic format (at no cost to the Settlement Fund, Plaintiff, Lead Plaintiff's Counsel or the Settlement Administrator), each Settlement Class Member's name, UBS account number (last four digits only), last-known address, and last-known e-mail address as may be identified in UBS's records through reasonable effort.

20. Pursuant to the Class Action Fairness Act, 28 U.S.C. §§ 1715 *et seq.* ("CAFA"), no later than ten (10) days after this Stipulation is filed with the Court, the Settlement Administrator shall serve proper notice of the proposed Settlement upon those who are entitled to such notice pursuant to CAFA. No later than seven (7) days before the Settlement Hearing, the Settlement Administrator shall provide to the Parties for filing with the Court the proof, by affidavit or declaration, regarding compliance with CAFA § 1715(b). UBS shall bear the cost of compliance with CAFA § 1715(b), separate and distinct from the Settlement Amount and Settlement Fund.

21. The Settlement Administrator shall determine each Settlement Class Member's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Claim compared to the total Recognized Claims of all Authorized Claimants (as set forth in the Plan of Allocation set forth in the Notice attached hereto as Exhibit 1 to Exhibit A, or in such other plan of allocation as the Court approves).

22. The Plan of Allocation proposed in the Notice is not a necessary term of the Settlement or of this Stipulation and it is not a condition of the Settlement or of this Stipulation that any particular plan of allocation be approved by the Court. Plaintiff and Lead Plaintiff's Counsel may not cancel or terminate the Settlement (or this Stipulation) based on this Court's or any appellate court's ruling with respect to the Plan of Allocation or any other plan of allocation in this Action. Defendant and the other Defendant's Releasees shall not object in any way to the Plan of Allocation or any other plan of allocation in this Action. Neither Defendant, nor any other Defendant's Releasees, shall have any involvement with or liability, obligation or responsibility whatsoever for the application of the Court-approved plan of allocation.

23. All Settlement Class Members, whether or not they receive a payment from the Net Settlement Fund, will be bound by all of the terms of this Stipulation and Settlement, including the terms of the Judgment or, if applicable, the Alternate Judgment to be entered in the Action and the Releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action, claim, or other proceeding of any kind against the Defendant's Releasees with respect to the Released Plaintiff's Claims in the event that the Effective Date occurs with respect to the Settlement.

24. Lead Plaintiff's Counsel shall be responsible for supervising the administration of the Settlement and the disbursement of the Net Settlement Fund subject to the jurisdiction of the

Court. Neither Defendant, nor any other Defendant's Releasees, shall be permitted to contest or object to any decision of the Settlement Administrator or Lead Plaintiff's Counsel with respect to a determination of payment to a Settlement Class Member.

25. Each Settlement Class Member shall be deemed to have submitted to the jurisdiction of the Court if there is a dispute as to the amount of that Settlement Class Member's payment from the Net Settlement Fund, or his, her or its eligibility for a payment from the Net Settlement Fund.

26. Upon the Effective Date and thereafter, and in accordance with the terms of this Stipulation, the Plan of Allocation, 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 Settlement Class Members.

27. Payment pursuant to the plan of allocation approved by the Court shall be final and conclusive against all Settlement Class Members. All Settlement Class Members, whether or not they receive a payment from the Net Settlement Fund, shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or, if applicable, Alternate Judgment to be entered in this Action and the Releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action against any and all Defendant's Releasees with respect to any and all of the Released Plaintiff's Claims.

28. No person or entity shall have any claim against Plaintiff, Lead Plaintiff's Counsel, the Settlement Administrator or any other agent designated by Lead Plaintiff's Counsel, or the Defendant or Defendant's Releasees and/or their respective counsel, arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or any order of the Court. Plaintiff and Defendant, and their respective counsel, and Plaintiff's

damages expert and all other Releasees shall have no liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any claim or nonperformance of the Settlement Administrator, the payment or withholding of taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

29. All proceedings with respect to the administration, processing and determination of payments from the Net Settlement Fund, and the determination of all controversies relating thereto, shall be subject to the jurisdiction of the Court. All Settlement Class Members and Parties to this Settlement expressly waive trial by jury (to the extent any such right may exist) and any right of appeal or review with respect to such determinations.

TERMS OF THE JUDGMENT

30. If the Settlement contemplated by this Stipulation is approved by the Court, Lead Plaintiff's Counsel and Defendant's Counsel shall request that the Court enter a Judgment, substantially in the form attached hereto as Exhibit B.

CONDITIONS OF SETTLEMENT AND EFFECT OF DISAPPROVAL, CANCELLATION OR TERMINATION

31. The Effective Date of the Settlement shall be deemed to occur on the occurrence or waiver of all of the following events:

(a) the Court has entered the Preliminary Approval Order, substantially in the form set forth in Exhibit A attached hereto, as required by ¶ 3 above;

(b) the Settlement Amount has been deposited into the Escrow Account in accordance with the provisions of ¶ 8 above;

(c) Defendant has not exercised its option to terminate the Settlement pursuant to the provisions of this Stipulation (including the Supplemental Agreement described in ¶ 35 below);

(d) Plaintiff has not exercised his option to terminate the Settlement pursuant to the provisions of this Stipulation; and

(e) the Court has approved the Settlement as described herein, following notice to the Settlement Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure, and entered the Judgment and the Judgment has become Final, or the Court has entered an Alternate Judgment and none of the Parties seek to terminate the Settlement and the Alternate Judgment has become Final.

32. Upon the occurrence of the Effective Date, any and all remaining interest or right of Defendant in or to the Settlement Fund, if any, shall be absolutely and forever extinguished and the Releases herein shall be effective.

33. If (i) Defendant exercises its right to terminate the Settlement as provided in this Stipulation; (ii) Plaintiff exercises his right to terminate the Settlement as provided in this Stipulation; (iii) the Court disapproves the Settlement; or (iv) the Effective Date as to the Settlement otherwise fails to occur, then:

(a) The Settlement and the relevant portions of this Stipulation shall be canceled and terminated.

(b) Plaintiff and Defendant shall revert to their respective positions in the Action as of December 23, 2022.

(c) The terms and provisions of this Stipulation, with the exception of this ¶ 33 and ¶¶ 14, 16, 37 and 57, shall have no further force and effect with respect to the Parties and shall

not be used in the Action or in any other proceeding for any purpose, and any Judgment or, if applicable, Alternate Judgment, or order entered by the Court in accordance with the terms of this Stipulation, shall be treated as vacated, *nunc pro tunc*.

(d) Within five (5) business days after joint written notification of termination is sent by Defendant's Counsel and Lead Plaintiff's Counsel to the Escrow Agent, the Settlement Fund (including accrued interest thereon and any funds received by Lead Plaintiff's Counsel consistent with ¶ 16 above), less any Notice and Administration Costs actually incurred, paid or payable and less any Taxes paid, due or owing shall be refunded by the Escrow Agent to Defendant (or such other persons or entities as Defendant may direct). In the event that the funds received by Lead Plaintiff's Counsel consistent with ¶ 16 above have not been refunded to the Settlement Fund within the five (5) business days specified in this paragraph, those funds shall be refunded by the Escrow Agent to Defendant (or such other persons or entities as Defendant may direct) immediately upon their deposit into the Escrow Account consistent with ¶ 16 above.

34. It is further stipulated and agreed that Plaintiff, and Defendant, shall each have the right to terminate the Settlement and this Stipulation, by providing written notice of their election to do so ("Termination Notice") to the other Parties to this Stipulation within thirty (30) days of: (a) the Court's Final refusal to enter the Preliminary Approval Order in any material respect; (b) the Court's Final refusal to approve the Settlement or any material part thereof; (c) the Court's Final refusal to enter the Judgment in any material respect as to the Settlement; (d) the date upon which the Judgment is modified or reversed in any material respect by a Final order of any appellate court; or (e) the date upon which an Alternate Judgment is modified or reversed in any material respect by a Final order of any appellate court, and the provisions of ¶ 33 above shall apply. However, any decision or proceeding, whether in this Court or any appellate court, with

respect to an application for attorneys' fees or reimbursement of Litigation Expenses or with respect to any plan of allocation shall not be considered material to the Settlement, shall not affect the finality of any Judgment or, if applicable, Alternate Judgment and shall not be grounds for termination of the Settlement.

35. In addition to the grounds set forth in ¶ 34 above, UBS shall have the unilateral right to terminate the Settlement in the event that Settlement Class Members timely and validly requesting exclusion from the Settlement Class meet the conditions set forth in UBS's confidential supplemental agreement with Plaintiff (the "Supplemental Agreement"), in accordance with the terms of that agreement. The Supplemental Agreement, which is being executed concurrently herewith, shall not be filed with the Court and its terms shall not be disclosed in any other manner (other than the statements herein and in the Notice, to the extent necessary, or as otherwise provided in the Supplemental Agreement) unless and until the Court otherwise directs or a dispute arises between Plaintiff and UBS concerning its interpretation or application, in which event the Parties shall submit the Supplemental Agreement to the Court in camera and request that the Court afford it confidential treatment.

36. In addition to the grounds set forth in ¶ 34 above, Plaintiff shall also have the right to terminate the Settlement in the event that the Settlement Amount has not been paid as provided for in ¶ 8 above, but only if (a) Lead Plaintiff's Counsel has first notified Defendant's Counsel in writing of Plaintiff's intent to terminate pursuant to this paragraph, and (b) the entire Settlement Amount is not deposited in the Escrow Account within five (5) business days after Lead Plaintiff's Counsel has provided such written notice.

NO ADMISSION OF WRONGDOING

37. Neither this Stipulation (whether or not consummated), including the exhibits hereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of this Stipulation, nor any proceedings taken pursuant to or in connection with this Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith):

(a) shall be offered against any of the Defendant's Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendant's Releasees with respect to the truth of any fact alleged by Plaintiff or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendant's Releasees or in any way referred to for any other reason as against any of the Defendant's Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(b) shall be offered against any of the Plaintiff's Releasees, as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiff's Releasees that any of their claims are without merit, that any of the Defendant's Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiff's Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation; or

(c) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; *provided, however*, that if this Stipulation is approved by the Court, the Parties and the Releasees and their respective counsel may refer to it to effectuate the protections from liability granted hereunder or otherwise to enforce the terms of the Settlement.

MISCELLANEOUS PROVISIONS

38. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein. Notwithstanding the foregoing, in the event that there exists a conflict or inconsistency between the terms of this Stipulation and the terms of any exhibit attached hereto, the terms of the Stipulation shall prevail.

39. Defendant warrants that, as to the payments made or to be made by or on behalf of it, at the time of entering into this Stipulation and at the time of such payment, to its knowledge, any persons or entities contributing to the payment of the Settlement Amount were not insolvent, nor will the payment required to be made by or on behalf of them render them insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including §§ 101 and 547 thereof. This representation is made by the Defendant and not by its counsel.

40. In the event of the entry of a Final order of a court of competent jurisdiction determining the transfer of money to the Settlement Fund or any portion thereof by or on behalf of Defendant to be a preference, voidable transfer, fraudulent transfer or similar transaction and any portion thereof is required to be returned, and such amount is not promptly deposited into the Settlement Fund by others, then, at the election of Plaintiff, Plaintiff and Defendant shall jointly move the Court to vacate and set aside the Releases given and the Judgment or Alternate Judgment,

if applicable, entered in favor of Defendant and the other Releasees pursuant to this Stipulation, in which event the releases and Judgment, or Alternate Judgment, if applicable, shall be null and void, and the Parties shall be restored to their respective positions in the litigation as provided in ¶ 33 above and any cash amounts in the Settlement Fund (less any Taxes paid, due or owing with respect to the Settlement Fund and less any Notice and Administration Costs actually incurred, paid or payable) shall be returned as provided in ¶ 33.

41. The Parties intend this Stipulation and the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by Plaintiff and any other Settlement Class Members against the Defendant's Releasees with respect to the Released Plaintiff's Claims. Accordingly, Plaintiff and their counsel and Defendant and its counsel agree not to assert in any forum that this Action was brought by Plaintiff or defended by Defendant in bad faith or without a reasonable basis. No Party shall assert any claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the institution, prosecution, defense, or settlement of this Action. The Parties agree that the amounts paid and the other terms of the Settlement were negotiated at arm's-length and in good faith by the Parties, including through a mediation process supervised and conducted by Robert Meyer, Esq., and reflect the Settlement that was reached voluntarily after extensive negotiations and consultation with experienced legal counsel, who were fully competent to assess the strengths and weaknesses of their respective clients' claims or defenses.

42. While retaining its right to deny that the claims asserted in the Action were meritorious, Defendant and its counsel, in any statement made to any media representative (whether or not for attribution), will not assert that the Action was commenced or prosecuted in bad faith, nor will they deny that the Action was commenced and prosecuted in good faith and is

being settled voluntarily after consultation with competent legal counsel. While retaining his right to assert that the claims asserted in the Action were meritorious, Plaintiff and its counsel, in any statement made to any media representative (whether or not for attribution), will not assert that the Action was defended or litigated by Defendant in bad faith, nor will they deny that the Action was defended and litigated in good faith and is being settled voluntarily after consultation with competent legal counsel. In all events, Plaintiff and his counsel and Defendant and its counsel shall not make any accusations of wrongful or actionable conduct by either Party concerning the prosecution, defense, and resolution of the Action, and shall not otherwise suggest that the Settlement constitutes an admission of any claim or defense alleged.

43. The terms of the Settlement, as reflected in this Stipulation, may not be modified or amended, nor may any of its provisions be waived except by a writing signed on behalf of both Plaintiff and Defendant (or their successors-in-interest).

44. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

45. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and Litigation Expenses to Lead Plaintiff's Counsel and enforcing the terms of this Stipulation, including the Plan of Allocation (or such other plan of allocation as may be approved by the Court) and the distribution of the Net Settlement Fund to Settlement Class Members.

46. The waiver by one Party of any breach of this Stipulation by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

47. This Stipulation and its exhibits and the Supplemental Agreement constitute the entire agreement among Plaintiff and Defendant concerning the Settlement and this Stipulation and its exhibits. All Parties acknowledge that no other agreements, representations, warranties, or inducements have been made by any Party hereto concerning this Stipulation, its exhibits or the Supplemental Agreement other than those contained and memorialized in such documents.

48. This Stipulation may be executed in one or more counterparts, including by a .pdf/.tif image of the signature transmitted via email. All executed counterparts and each of them shall be deemed to be one and the same instrument.

49. This Stipulation shall be binding upon and inure to the benefit of the successors and assigns of the Parties, including any and all Releasees and any corporation, partnership, or other entity into or with which any Party hereto may merge, consolidate or reorganize.

50. The construction, interpretation, operation, effect and validity of this Stipulation, the Supplemental Agreement and all documents necessary to effectuate it shall be governed by the internal laws of the State of New Jersey without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

51. Any action arising under or to enforce this Stipulation or any portion thereof, shall be commenced and maintained only in the Court.

52. This Stipulation shall not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations between the Parties and all Parties have contributed substantially and materially to the preparation of this Stipulation.

53. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related Settlement documents, warrant and represent that they have the full authority

to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

54. Lead Plaintiff's Counsel and Defendant's Counsel agree to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order and the Settlement, as embodied in this Stipulation, and to use best efforts to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlement.

55. If any Party is required to give notice to another Party under this Stipulation, such notice shall be in writing and shall be deemed to have been duly given upon receipt of hand delivery or facsimile or email transmission, with confirmation of receipt. Notice shall be provided as follows:

If to Plaintiff or Lead Plaintiff's
Counsel:

Glancy Prongay & Murray LLP
Attn. Garth A. Spencer
1925 Century Park East, Suite 2100
Los Angeles, California 90067
Tel.: (310) 201-9150
Email: gspencer@glancylaw.com

If to Defendant:

Wilmer Cutler Pickering Hale and Dorr LLP
Attn. Alan E. Schoenfeld
7 World Trade Center
250 Greenwich Street
New York, NY 10007
Telephone: (212) 937-7294
Email: alan.schoenfeld@wilmerhale.com

56. Except as otherwise provided herein, each Party shall bear its own costs.

57. Whether or not the Stipulation is approved by the Court and whether or not the Stipulation is consummated, or the Effective Date occurs, the Parties and their counsel shall use

Exhibit A

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

RICHARD GOODMAN, Individually And As
Trustee of the Richard M. Goodman
Revocable Living Trust, And On Behalf Of
All Others Similarly Situated,

Plaintiff,

vs.

UBS FINANCIAL SERVICES INC.,

Defendant.

Case No.: 2:21-cv-18123-KM-MAH

**[PROPOSED] ORDER PRELIMINARILY APPROVING
SETTLEMENT AND PROVIDING FOR NOTICE**

WHEREAS, a class action is pending in this Court entitled *Goodman v. UBS Financial Services Inc.*, Civil Action No. 2:21-cv-18123-KM-MAH (the “Action”);

WHEREAS, (a) plaintiff Richard Goodman, individually and as Trustee of the Richard M. Goodman Revocable Living Trust (“Plaintiff”), on behalf of himself and the Settlement Class (defined below); and (b) defendant UBS Financial Services Inc. (“Defendant” or “UBS”; and together with Plaintiff, the “Parties”) have determined to settle all claims asserted against the Defendant in this Action with prejudice on the terms and conditions set forth in the Stipulation and Agreement of Settlement dated June 8, 2023 (the “Stipulation”) subject to approval of this Court (the “Settlement”);

WHEREAS, Plaintiff has made an application, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for an order preliminarily approving the Settlement in accordance with the Stipulation, certifying the Settlement Class for purposes of the Settlement only, and allowing notice to Settlement Class Members as more fully described herein;

WHEREAS, the Court has read and considered: (a) Plaintiff's motion for preliminary approval of the Settlement, and the papers filed and arguments made in connection therewith; and (b) the Stipulation and the exhibits attached thereto; and

WHEREAS, unless otherwise defined herein, all capitalized words contained herein shall have the same meanings as they have in the Stipulation;

NOW THEREFORE, IT IS HEREBY ORDERED:

1. **Class Certification for Settlement Purposes** – Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Court certifies, solely for purposes of effectuating the proposed Settlement, a Settlement Class consisting of all persons and entities in the United States that acquired At-Issue Taxable Municipal Securities at a premium (above par value) in a taxable account maintained by UBS between January 1, 2014 through December 31, 2019, inclusive (the "Settlement Class Period"), and who received a Form 1099 from UBS. Excluded from the Settlement Class are Defendant; the Officers and/or directors of UBS; any person, firm, trust, corporation, Officer, director or other individual or entity in which Defendant has a controlling interest or which is related to or affiliated with the Defendant; and the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Settlement Class are any persons or entities who or which exclude themselves by submitting a request for exclusion that is accepted by the Court.

2. **Class Findings** – Solely for purposes of the proposed Settlement of this Action, the Court finds that each element required for certification of the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure has been met: (a) the members of the Settlement Class are so numerous that their joinder in the Action would be impracticable; (b) there are questions of law and fact common to the Settlement Class which predominate over any

individual questions; (c) the claims of the Plaintiff in the Action are typical of the claims of the Settlement Class; (d) the Plaintiff and Lead Counsel have and will fairly and adequately represent and protect the interests of the Settlement Class; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the Action.

3. The Court hereby finds and concludes that pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Plaintiff Richard Goodman, individually and as Trustee of the Richard M. Goodman Revocable Living Trust is an adequate class representative and certifies him as the Class Representative for the Settlement Class. The Court also appoints Glancy Prongay & Murray LLP as Class Counsel for the Settlement Class, pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

4. **Preliminary Approval of the Settlement** – The Court hereby preliminarily approves the Settlement, as embodied in the Stipulation, as being fair, reasonable and adequate to the Settlement Class, subject to further consideration at the Settlement Hearing to be conducted as described below.

5. **Settlement Hearing** – The Court will hold a settlement hearing (the “Settlement Hearing”) on _____, 2023 at __:__.m. in Courtroom MLK 2C at the United States District Court for the District of New Jersey, Martin Luther King Building & U.S. Courthouse, 50 Walnut Street, Newark, NJ 07101, for the following purposes: (a) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable and adequate to the Settlement Class, and should be approved by the Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit B to the Stipulation should be entered dismissing the Action with prejudice against the Defendant; (c) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable

and should be approved; (d) to determine whether the motion by Lead Plaintiff's Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved; and (e) to consider any other matters that may properly be brought before the Court in connection with the Settlement. Notice of the Settlement and the Settlement Hearing shall be given to Settlement Class Members as set forth in paragraph 7 of this Order.

6. The Court may adjourn the Settlement Hearing without further notice to the Settlement Class, and may approve the proposed Settlement with such modifications as the Parties may agree to, if appropriate, without further notice to the Settlement Class.

7. **Retention of Settlement Administrator and Manner of Giving Notice** – Lead Plaintiff's Counsel is hereby authorized to retain Strategic Claims Services (the "Settlement Administrator") to supervise and administer the notice procedure in connection with the proposed Settlement as well as distributing the proceeds of the Net Settlement Fund to Settlement Class Members. Notice of the Settlement and the Settlement Hearing shall be given by Lead Plaintiff's Counsel as follows:

(a) within ten (10) business days of the date of entry of this Order, UBS shall provide or cause to be provided to the Settlement Administrator in electronic format (at no cost to the Settlement Fund, Plaintiff, Lead Plaintiff's Counsel or the Settlement Administrator), each Settlement Class Member's name, UBS account number (last four digits only), last-known address, and last-known e-mail address as may be identified in UBS's records through reasonable effort;

(b) not later than twenty (20) business days after the date of entry of this Order (the "Notice Date"), the Settlement Administrator shall cause: (i) a copy of the Postcard Notice, substantially in the form attached hereto as Exhibit 2, to be mailed by first-class mail; or

(ii) the Notice, substantially in the form attached hereto as Exhibit 1, to be emailed; to potential Settlement Class Members at the addresses set forth in the records provided by UBS or in the records which UBS caused to be provided, or who otherwise may be identified through further reasonable effort;

(c) contemporaneously with the mailing/emailing of the Postcard Notice and/or the Notice, the Settlement Administrator shall cause copies of the Notice to be posted on a website to be developed for the Settlement, from which copies of the Notice can be downloaded; and

(d) not later than seven (7) calendar days prior to the Settlement Hearing, Lead Plaintiff's Counsel shall serve on Defendant's Counsel and file with the Court proof, by affidavit or declaration, of such mailing.

8. **Approval of Form and Content of Notice** – The Court (a) approves, as to form and content, the Notice and Postcard Notice attached hereto as Exhibits 1 and 2, respectively, and (b) finds that the mailing/emailing and distribution of the Postcard Notice and Notice, and the posting of the Notice online, in the manner and form set forth in paragraph 7 of this Order (i) is the best notice practicable under the circumstances; (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the Action, of the effect of the proposed Settlement (including the Releases to be provided thereunder), of Lead Plaintiff's Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, of their right to object to the Settlement, the Plan of Allocation and/or Lead Plaintiff's Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses, of their right to exclude themselves from the Settlement Class, and of their right to appear at the Settlement Hearing; (iii) constitutes due, adequate and sufficient notice to

all persons and entities entitled to receive notice of the proposed Settlement; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), and all other applicable law and rules. The date and time of the Settlement Hearing shall be included in the Postcard Notice and Notice before they are emailed/mailed and/or posted online.

9. **Participation in the Settlement** – Settlement Class Member do not have to do anything to qualify for a payment. UBS has data concerning Settlement Class Members' relevant securities transactions from which amortizable bond premium can be calculated, as well as contact information for Settlement Class Members, and will provide the information necessary for the Settlement Administrator to send a check directly to Settlement Class Members as may be identified in UBS's records through reasonable effort.

10. Any Settlement Class Member that does not deposit or cash his, her or its check within nine (9) months after issuance from the Settlement Administrator: (a) shall be deemed to have waived his, her or its right to share in the Net Settlement Fund; (b) shall be forever barred from participating in any distributions therefrom; (c) shall be bound by the provisions of the Stipulation and the Settlement and all proceedings, determinations, orders and judgments in the Action relating thereto, including, without limitation, the Judgment or Alternate Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be barred from commencing, maintaining or prosecuting any of the Released Plaintiff's Claims against each and all of the Defendant's Releasees, as more fully described in the Stipulation and Notice. Notwithstanding the foregoing, the Settlement Administrator may re-issue checks to the extent doing so will not materially delay the distribution process.

11. **Exclusion From the Settlement Class** – Any member of the Settlement Class who wishes to exclude himself, herself or itself from the Settlement Class must request exclusion in writing within the time and in the manner set forth in the Notice, which shall provide that: (a) any such request for exclusion from the Settlement Class must be mailed or delivered such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing, to: *Goodman v. UBS Class Action Litigation*, EXCLUSIONS, c/o Strategic Claims Services, 600 N. Jackson Street, Suite 205, P.O. Box 230, Media, PA 19063 and (b) each request for exclusion must (i) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person; (ii) state that such person or entity “requests exclusion from the Settlement Class in *Goodman v. UBS Class Action Litigation*, Case No. 2:21-cv-18123-KM-MAH”; (iii) identify and state the account number for the UBS account that held the At-Issue Taxable Municipal Securities that the Settlement Class Member acquired during the Settlement Class Period (*i.e.*, between January 1, 2014 through December 31, 2019, inclusive); and (iv) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be effective unless it provides all the required information and is received within the time stated above, or is otherwise accepted by the Court.

12. Any person or entity who or which timely and validly requests exclusion in compliance with the terms stated in this Order and is excluded from the Settlement Class shall not be a Settlement Class Member, shall not be bound by the terms of the Settlement or any orders or judgments in the Action and shall not receive any payment out of the Net Settlement Fund.

13. Any Settlement Class Member who or which does not timely and validly request

exclusion from the Settlement Class in the manner stated in this Order: (a) shall be deemed to have waived his, her or its right to be excluded from the Settlement Class; (b) shall be forever barred from requesting exclusion from the Settlement Class in this or any other proceeding; (c) shall be bound by the provisions of the Stipulation and Settlement and all proceedings, determinations, orders and judgments in the Action, including, but not limited to, the Judgment or Alternate Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be barred from commencing, maintaining or prosecuting any of the Released Plaintiff's Claims against any of the Defendant's Releasees, as more fully described in the Stipulation and Notice.

14. **Appearance and Objections at Settlement Hearing** – Any Settlement Class Member who does not request exclusion from the Settlement Class may enter an appearance in the Action, at his, her or its own expense, individually or through counsel of his, her or its own choice, by filing with the Clerk of Court and delivering a notice of appearance to both Lead Plaintiff's Counsel and Defendant's Counsel, at the addresses set forth in paragraph 15 below, such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing, or as the Court may otherwise direct. Any Settlement Class Member who does not enter an appearance will be represented by Lead Plaintiff's Counsel.

15. Any Settlement Class Member who does not request exclusion from the Settlement Class may file a written objection to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Plaintiff's Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and appear and show cause, if he, she or it has any cause, why the proposed Settlement, the proposed Plan of Allocation and/or Lead Plaintiff's Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses should not be approved;

provided, however, that no Settlement Class Member shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, the proposed Plan of Allocation and/or the motion for attorneys' fees and reimbursement of Litigation Expenses unless that person or entity has filed a written objection with the Court and served copies of such objection on Lead Plaintiff's Counsel and Defendant's Counsel at the addresses set forth below such that they are received no later than twenty-one (21) calendar days prior to the Settlement Hearing.

Lead Counsel

Glancy Prongay & Murray LLP
Garth A. Spencer, Esq.
1925 Century Park East, Suite 2100
Los Angeles, CA 90067

Defendant's Counsel

Wilmer Cutler Pickering Hale and Dorr LLP
Alan Schoenfeld, Esq.
7 World Trade Center
250 Greenwich Street
New York, NY 10007

16. Any objections, filings and other submissions by the objecting Settlement Class Member: (a) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Settlement Class, including documents identifying and stating the account number for the UBS account that held the At-Issue Taxable Municipal Securities that the Settlement Class Member acquired during the Settlement Class Period (*i.e.*, between January 1, 2014 through December 31, 2019, inclusive). Objectors who enter an appearance and desire to present evidence at the Settlement Hearing in support of their objection must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the hearing.

17. Any Settlement Class Member who or which does not make his, her or its

objection in the manner provided herein shall be deemed to have waived his, her or its right to object to any aspect of the proposed Settlement, the proposed Plan of Allocation, and Lead Plaintiff's Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and shall be forever barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlement, the Plan of Allocation or the requested attorneys' fees and Litigation Expenses, or from otherwise being heard concerning the Settlement, the Plan of Allocation or the requested attorneys' fees and Litigation Expenses in this or any other proceeding.

18. **Stay and Temporary Injunction** – Until otherwise ordered by the Court, the Court stays all proceedings in the Action other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation. Pending final determination of whether the Settlement should be approved, the Court bars and enjoins Plaintiff, and all other members of the Settlement Class, from commencing or prosecuting any and all of the Released Plaintiff's Claims against each and all of the Defendant's Releasees.

19. **Settlement Administration Fees and Expenses** – All reasonable costs incurred in identifying Settlement Class Members and notifying them of the Settlement as well as in administering the Settlement shall be paid as set forth in the Stipulation without further order of the Court.

20. **Settlement Fund** – The contents of the Settlement Fund held by The Huntington National Bank (which the Court approves as the Escrow Agent), shall be deemed and considered to be *in custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as they shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

21. **Taxes** – Lead Plaintiff’s Counsel is authorized and directed to prepare any tax returns and any other tax reporting form for or in respect to the Settlement Fund, to pay from the Settlement Fund any Taxes owed with respect to the Settlement Fund, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect thereof without further order of the Court in a manner consistent with the provisions of the Stipulation.

22. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation, the Settlement is not approved, or the Effective Date of the Settlement otherwise fails to occur, this Order shall be vacated, rendered null and void and be of no further force and effect, except as otherwise provided by the Stipulation, and this Order shall be without prejudice to the rights of Plaintiff, the other Settlement Class Members and Defendant, and the Parties shall revert to their respective positions in the Action as of December 23, 2022, as provided in the Stipulation.

23. **Use of this Order** – Neither this Order, the Stipulation (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Stipulation, nor any proceedings taken pursuant to or in connection with the Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith): (a) shall be offered against any of the Defendant’s Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendant’s Releasees with respect to the truth of any fact alleged by Plaintiff or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendant’s Releasees or in any

way referred to for any other reason as against any of the Defendant's Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; (b) shall be offered against any of the Plaintiff's Releasees, as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiff's Releasees that any of their claims are without merit, that any of the Defendant's Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiff's Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; or (c) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given under the Settlement represents the amount which could be or would have been recovered after trial; *provided, however*, that if the Stipulation is approved by the Court, the Parties and the Releasees and their respective counsel may refer to it to effectuate the protections from liability granted thereunder or otherwise to enforce the terms of the Settlement.

24. **Supporting Papers** – Lead Plaintiff's Counsel shall file and serve the opening papers in support of the proposed Settlement, the Plan of Allocation, and Lead Plaintiff's Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses no later than thirty-five (35) calendar days prior to the Settlement Hearing; and reply papers, if any, shall be filed and served no later than seven (7) calendar days prior to the Settlement Hearing.

25. The Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

SO ORDERED this _____ day of _____, 2023.

The Honorable Michael A. Hammer
United States Magistrate Judge

Exhibit 1

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

RICHARD GOODMAN, Individually And As
Trustee of the Richard M. Goodman
Revocable Living Trust, And On Behalf Of
All Others Similarly Situated,

Plaintiff,

vs.

UBS FINANCIAL SERVICES INC.,

Defendant.

Case No.: 2:21-cv-18123-KM-MAH

**NOTICE OF (I) PENDENCY OF CLASS ACTION, CERTIFICATION OF
SETTLEMENT CLASS AND PROPOSED SETTLEMENT; (II) SETTLEMENT
FAIRNESS HEARING; AND (III) MOTION FOR AN AWARD OF
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned class action (the “Action”) pending in the United States District Court for the District of New Jersey (the “Court”), if you acquired At-Issue Taxable Municipal Securities¹ at a premium (above par value) in a taxable account maintained by UBS Financial Services Inc. (“UBS” or “Defendant”) between January 1, 2014 through December 31, 2019, inclusive (the “Settlement Class Period”) and received a Form 1099.²

NOTICE OF SETTLEMENT: Please also be advised that plaintiff Richard Goodman, individually and as Trustee of the Richard M. Goodman Revocable Living Trust (“Plaintiff”), on behalf of himself and the Settlement Class (as defined in ¶ 13 below), have reached a proposed settlement of the Action for \$2,500,000 in cash that, if approved, will resolve all claims in the Action (the

¹ “At-Issue Taxable Municipal Securities” means Build America Bonds and certain other bonds created under the American Recovery and Reinvestment Act of 2009 (ARRA), consisting of TED (Tribal Economic Development Bonds); QZA (Qualified Zone Academy Bonds); QEC (Qualified Energy Conservation Bonds); QSC (Qualified School Construction Bonds); RZF (Recovery Zone Facility Bonds); RZE (Recovery Zone Economic Development Bonds); RZP (Recovery Zone Private Activity Bonds); and CRE (Clean Renewable Energy Bonds).

² All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated June 8, 2023 (the “Stipulation”), which is available at www.UBSTaxSettlement.com.

“Settlement”).

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.

1. If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please **DO NOT** contact UBS or its counsel. All questions should be directed to Lead Plaintiff’s Counsel or the Settlement Administrator (see ¶ 57 below).

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
IF YOU ARE A SETTLEMENT CLASS MEMBER, YOU DO NOT HAVE TO DO ANYTHING TO RECEIVE A PAYMENT.	If you are a Settlement Class Member, you do not have to do anything to qualify for a payment. If you remain in the Settlement Class, you will be eligible to receive a payment, but you will also be bound by the Settlement as approved by the Court and you will give up any Released Plaintiff’s Claims that you have against Defendant’s Releasees. Paragraphs 20-23 below explains what claims you are releasing.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN _____, 2023.	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against the Defendant or the other Defendant’s Releasees concerning the Released Plaintiff’s Claims.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN _____, 2023.	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys’ fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.
GO TO A HEARING ON _____, 2023 AT ____:____.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN _____, 2023.	Filing a written objection and notice of intention to appear by _____, 2023 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys’ fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.

WHAT THIS NOTICE CONTAINS

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WHY DID I GET THE POSTCARD NOTICE?

2. The Court directed that the Postcard Notice be mailed to you because UBS’s records indicate that you acquired At-Issue Taxable Municipal Securities at a premium (above par value) in a taxable account maintained by UBS between January 1, 2014 through December 31, 2019, inclusive, and are a Settlement Class Member. The Court also directed that this Notice be posted online at www.UBSTaxSettlement.com and mailed to you upon request to the Settlement Administrator. The Court has directed us to disseminate these notices because, as a Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, and the Plan of Allocation (or some other plan of allocation), the Settlement Administrator selected by Plaintiff and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

3. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Lead Plaintiff’s Counsel for an award of attorneys’ fees and reimbursement of Litigation Expenses (the “Settlement Hearing”). See paragraph 49 below for details about the Settlement Hearing, including the date and location of the hearing.

4. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still must decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments will be

made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

WHAT IS THIS CASE ABOUT?

5. On October 5, 2021, Plaintiff filed a putative class action complaint in the Court alleging that, beginning with the 2014 tax year, UBS failed to report amortizable bond premium, if any, on clients' taxable municipal bonds and bringing claims for breach of contract, breach of the implied covenant of good faith and fair dealing, breach of fiduciary duty, negligent misrepresentation, negligence, negligence per se, and punitive damages.

6. On December 22, 2021, UBS moved to dismiss the complaint for failure to state a claim, and Plaintiff opposed that motion.

7. On June 30, 2022, the Court granted in part and denied in part UBS's motion to dismiss.

8. The Parties and their respective counsel exchanged information necessary to pursue settlement discussions and participated in a full-day in-person mediation on November 17, 2022 conducted by Robert Meyer of JAMS; and, after extensive arms-length negotiations during and in the weeks following the mediation, the Parties reached an agreement in principle to settle the Action on behalf of Plaintiff and members of a Settlement Class.

9. After reaching an agreement in principle on settlement terms, the Parties engaged in confirmatory discovery regarding the putative class's claims, which included an interview of a UBS employee with knowledge of the subject matter by Lead Plaintiff's Counsel.

10. The confirmatory discovery process confirmed for Lead Plaintiff's Counsel that the Settlement is fair, reasonable and adequate to Plaintiff and the other members of the Settlement Class in light of, among other things, (a) the substantial financial benefit that Plaintiff and the other members of the Settlement Class will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial.

11. UBS is entering into the Stipulation solely to eliminate the uncertainty, burden and expense of further protracted litigation. UBS denies any wrongdoing, and the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of UBS, or any other of the Defendant's Releasees (defined in ¶ 22 below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendant has, or could have, asserted. Similarly, the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of Plaintiff of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendant's defenses to liability had any merit.

12. On _____, 2023, the Court preliminarily approved the Settlement, authorized the Postcard Notice to be mailed to Settlement Class Members and this Notice to be posted online and mailed to potential Settlement Class Members upon request, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

13. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

all persons and entities in the United States that acquired At-Issue Taxable Municipal Securities at a premium (above par value) in a taxable account maintained by UBS between January 1, 2014 through December 31, 2019, inclusive, and who received a Form 1099 from UBS.

Excluded from the Settlement Class are Defendant; the Officers and/or directors of UBS; any person, firm, trust, corporation, Officer, director or other individual or entity in which Defendant has a controlling interest or which is related to or affiliated with the Defendant; and the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Settlement Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself,” on page [] below.

WHAT ARE PLAINTIFF’S REASONS FOR THE SETTLEMENT?

14. Plaintiff and Lead Plaintiff’s Counsel believe that the claims asserted against UBS have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims against UBS through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. The Court’s decision on the motion to dismiss granted UBS’s motion to dismiss several of Plaintiff’s claims. As to the claims remaining in the case after the motion to dismiss (breach of contract and negligence), there can be no guarantee that Plaintiff would be able to prove each of the elements necessary to hold UBS liable. Even if Plaintiff were able to establish UBS’s liability on one or both remaining claims, damages calculations would be complex and disputed, likely involving competing expert testimony. Moreover, Plaintiff would have to prevail at several stages – class certification, summary judgment, trial, and if he prevailed on those, on the appeals that were likely to follow. Thus, there were very significant risks attendant to the continued prosecution of the Action.

15. In light of these risks, the amount of the Settlement and the immediacy of recovery to the Settlement Class, Plaintiff and Lead Plaintiff’s Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class. Plaintiff and Lead Plaintiff’s Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$2,500,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller or no recovery after class certification, summary judgment, trial and appeals, possibly years in the future.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

16. If there were no Settlement and Plaintiff failed to establish any essential legal or factual element of his claims against UBS, neither Plaintiff nor the other members of the Settlement Class would recover anything from UBS. Also, if UBS were successful in proving any of its defenses, either at summary judgment, at trial or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

**HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED
BY THE ACTION AND THE SETTLEMENT?**

17. As a Settlement Class Member, you are represented by the Plaintiff and Lead Plaintiff's Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page ___ below.

18. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?," on page ___ below.

19. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, or Lead Plaintiff's Counsel's application for attorneys' fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," below.

20. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims against UBS and will provide that, upon the Effective Date of the Settlement, Plaintiff and each of the other Settlement Class Members, on behalf of themselves, and on behalf of any other person or entity legally entitled to bring Released Plaintiff's Claims (as defined in ¶ 21 below) on behalf of the respective Settlement Class Member in such capacity only, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiff's Claim against the Defendant and the other Defendant's Releasees (as defined in ¶ 22 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiff's Claims against any of the Defendant's Releasees.

21. "Released Plaintiff's Claims" means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether asserted or unasserted, whether accrued or un-acrued, whether arising under federal, state, common or foreign law, that Plaintiff or any other member of the Settlement Class: (i) asserted in the Complaint; (ii) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint during the Settlement Class Period; or (iii) otherwise arise out of or relate in any way to the defense or settlement of the claims asserted in the Action against the Defendant. Released Plaintiff's Claims do not include: (i) any claims relating to the enforcement of the Settlement; and (ii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

22. "Defendant's Releasees" means UBS and its present, former, and future parents,

subsidiaries, divisions, and related or affiliated entities, and each of UBS's and its respective predecessors' or successors' directors, officers, employees, principals, agents, attorneys, insurers, and reinsurers, and includes, without limitation, any person or company related to any such entity that could have been named as a defendant in the Action with respect to Released Plaintiff's Claims, all in their capacities as such.

23. "Unknown Claims" means any Released Plaintiff's Claims which any Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Defendant's Claims which Defendant does not know or suspect to exist in its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiff and Defendant shall expressly waive, and each of the other Settlement Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

The Parties acknowledge and each of the other releasing parties shall be deemed by operation of law to have acknowledged, that they may hereafter discover facts, legal theories or authorities in addition to or different from those which they or their respective counsel now know or believe to be true with respect to the subject matter of the Released Claims that, had they known, may have affected their decision to enter into this Stipulation, but they are notwithstanding this potential entering into this Stipulation and intend it to be a full, final, and permanent resolution of the matters at issue in this Action. Plaintiff and Defendant acknowledge, and each of the other releasing parties shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

24. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendant, on behalf of itself, and on behalf of any other person or entity legally entitled to bring Released Defendant's Claims (as defined in ¶ 25 below) on behalf of the Defendant in such capacity only, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendant's Claim against Plaintiff and the other Plaintiff's Releasees (as defined in ¶ 26 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendant's Claims against any of the Plaintiff's Releasees.

25. "Released Defendant's Claims" means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether asserted or unasserted, whether accrued or un-acrued, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action against the Defendant. Released Defendant's Claims do not include any claims relating to the enforcement of the Settlement or any claims against any person or entity who or

which submits a request for exclusion from the Settlement Class that is accepted by the Court.

26. “Plaintiff’s Releasees” means Plaintiff, his respective attorneys, and all other Settlement Class Members, and their respective current and former officers, directors, agents, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, employees, trusts, trustees, and attorneys, all in their capacities as such.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

27. If you are a Settlement Class Member you do not have to do anything to qualify for a payment. UBS has data concerning your relevant securities transactions from which amortizable bond premium can be calculated, as well as your contact information, and has provided the information necessary for the Settlement Administrator to send a check to your current address. You will only be eligible to receive money if your Distribution Amount (defined in paragraph 39 below) calculates to over \$10.00. If you are moving or have recently moved, please contact the Settlement Administrator at (866) 274-4004, or by email at info@strategicclaims.net, or in writing at *Goodman v. UBS Class Action Litigation*, c/o Strategic Claims Services, 600 N. Jackson Street, Suite 205, P.O. Box 230, Media, PA 19063, and provide your new address and contact information. To avoid fraud, you may be asked to provide information necessary to confirm your identity, such as the last four digits of your UBS account number. If you request exclusion from the Settlement Class, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

28. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.

29. Pursuant to the Settlement, Defendant has agreed to pay or caused to be paid two million five hundred thousand dollars (\$2,500,000) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys’ fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

30. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

31. Neither Defendant nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or judgment approving the Settlement becomes Final. Defendant shall not have any liability, obligation or responsibility for the administration of the Settlement, the

disbursement of the Net Settlement Fund or the plan of allocation.

32. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

33. Each Settlement Class Member shall be deemed to have submitted to the jurisdiction of the Court.

PROPOSED PLAN OF ALLOCATION

34. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The Settlement Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon the Authorized Claimant's calculated "Recognized Claim," which is the sum of the Authorized Claimant's "Amortizable Bond Premium Amounts,"³ as described below. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Settlement Class Members pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Settlement Class Members against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

35. The Plan of Allocation was created with the assistance of a consulting damages expert, and reflects Plaintiff's allegations. Plaintiff's consulting damages expert shall calculate the Amortizable Bond Premium Amount for each At-Issue Taxable Municipal Security acquired at a premium (above its par value) by an Authorized Claimant in a taxable account maintained by Defendant during the Settlement Class Period (January 1, 2014 through December 31, 2019). The Amortizable Bond Premium Amount for each relevant security held by an Authorized Claimant shall be the sum of the Amortizable Bond Premium Amounts for that security for each interest accrual period during the Settlement Class Period. Such calculations shall be conducted using historical transaction records maintained by Defendant.

36. The Amortizable Bond Premium Amount shall be estimated in accordance with applicable IRS guidelines and Treasury Regulations.⁴ Generally, for each interest accrual period, the Amortizable Bond Premium Amount is equal to: (i) the amount of accrued interest during the accrual period; *minus* (ii) the bond's adjusted cost basis at the beginning of the accrual period multiplied by the bond's yield at the time of purchase.⁵ If a bond was called while held by an

³ A bond "premium" refers to the amount by which a bond's purchase price exceeds its par value.

⁴ According to the IRS, bond premiums must be amortized "using a constant yield method on the basis of the bond's yield to maturity, determined by using the bond's basis and compounding at the close of each accrual period." See https://www.irs.gov/publications/p550#en_US_2020_publink100010250; see also 26 C.F.R. § 1.171-1; 26 C.F.R. § 1.171-2; 26 C.F.R. § 1.171-3.

⁵ At the beginning of the first accrual period, the adjusted cost basis is equal to the bond's initial purchase price. After that, the adjusted cost basis is decreased by the amount of bond premium

Authorized Claimant during the Settlement Class Period, the call date is used to calculate the Amortizable Bond Premium Amount instead of the maturity date, such that the entire bond premium is amortized from the time of purchase to the call date.

ADDITIONAL PROVISIONS

37. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in paragraph 39 below) is \$10.00 or greater.

38. **Calculation of Claimant's "Recognized Claim":** A Claimant's "Recognized Claim" under the Plan of Allocation shall be the sum of his, her or its Amortizable Bond Premium Amounts.

39. **Determination of Distribution Amount:** The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant's Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to such Authorized Claimant. Any Distribution Amounts of less than \$10.00 will be included in the pool distributed to those Settlement Class Members whose Distribution Amounts are \$10.00 or greater.

40. After the initial distribution of the Net Settlement Fund, the Settlement Administrator shall make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund nine (9) months after the initial distribution, if Lead Plaintiff's Counsel, in consultation with the Settlement Administrator, determines that it is cost-effective to do so, the Settlement Administrator shall conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Plaintiff's Counsel, in consultation with the Settlement Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to the Public Justice Foundation, a non-sectarian, not-for-profit organization that, among other things, advocates on behalf of consumers.

41. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Plaintiff, Lead Plaintiff's Counsel, Plaintiff's damages expert, Defendant, Defendant's Counsel, or any of the other Releasees, or the Settlement Administrator or other agent designated by Lead Plaintiff's Counsel arising from distributions made substantially in

amortized for earlier periods, and the amount of any payment previously made on the bond other than a payment of qualified stated interest.

accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Plaintiff, Defendant and their respective counsel, and all other Defendant's Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment or nonperformance of the Settlement Administrator, the payment or withholding of Taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

42. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Plaintiff after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the settlement website, www.UBSTaxSettlement.com.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?**

43. Lead Plaintiff's Counsel have not received any payment for their services in pursuing claims against the Defendant on behalf of the Settlement Class, nor have Lead Plaintiff's Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Plaintiff's Counsel will apply to the Court for an award of attorneys' fees in an amount not to exceed 33 $\frac{1}{3}$ % of the Settlement Fund. At the same time, Lead Plaintiff's Counsel also intends to apply for reimbursement of Litigation Expenses in an amount not to exceed \$200,000, which may include an application for a service award to Plaintiff for his time and efforts in representing the Settlement Class in an amount not to exceed \$25,000. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?
HOW DO I EXCLUDE MYSELF?**

44. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to *Goodman v. UBS Class Action Litigation*, EXCLUSIONS, c/o Strategic Claims Services, 600 N. Jackson St., Suite 205, P.O. Box 230, Media, PA 19063. The exclusion request must be **received** no later than _____, 2023. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must: (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Settlement Class in *Goodman v. UBS Class Action Litigation*, Case No. 2:21-cv-18123-KM-MAH"; (c) identify and state the account number for the UBS account that held the taxable municipal securities that the Settlement Class Member acquired during the Settlement Class Period (*i.e.*, between January 1, 2014 through December 31, 2019, inclusive); and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for

Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

45. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiff's Claim against any of the Defendant's Releasees.

46. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

47. Defendant has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Plaintiff and Defendant.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE
SETTLEMENT? DO I HAVE TO COME TO THE HEARING?
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?**

48. Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.

49. The Settlement Hearing will be held on _____, 2023 at __: __ .m., before the Honorable Michael A. Hammer at the United States District Court for the District of New Jersey, Martin Luther King Building & U.S. Courthouse, Courtroom MLK 2C, 50 Walnut Street, Newark, NJ 07101. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Plaintiff's Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

50. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation or Lead Plaintiff's Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the District of New Jersey at the address set forth below on or before _____, 2023. You must also serve the papers on Lead Plaintiff's Counsel and on Defendant's Counsel at the addresses set forth below so that the papers are *received on or before* _____, 2023.

Clerk's Office

United States District Court
District of New Jersey
Clerk of the Court
Martin Luther King
Building & U.S.
Courthouse
50 Walnut Street
Newark, NJ 07101

Lead Plaintiff's Counsel

**Glancy Prongay & Murray
LLP**
Garth A. Spencer, Esq.
1925 Century Park East, Suite
2100
Los Angeles, CA 90067

Defendant's Counsel

**Wilmer Cutler Pickering
Hale and Dorr LLP**
Alan Schoenfeld, Esq.
7 World Trade Center
250 Greenwich Street
New York, NY 10007

51. Any objection: (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Settlement Class, including documents identifying and stating the account number for the UBS account that held the taxable municipal securities that the Settlement Class Member acquired during the Settlement Class Period (*i.e.*, between January 1, 2014 through December 31, 2019, inclusive). You may not object to the Settlement, the Plan of Allocation or Lead Plaintiff's Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

52. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

53. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation or Lead Plaintiff's Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Plaintiff's Counsel and Defendant's Counsel at the addresses set forth above so that it is ***received on or before*** _____, **2023**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

54. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Plaintiff's Counsel and Defendant's Counsel at the addresses set forth in ¶ 50 above so that the notice is ***received on or*** _____, **2023**.

55. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Plaintiff's Counsel.

56. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation or Lead Plaintiff's Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

57. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the District of New Jersey, Martin Luther King Building & U.S. Courthouse, 50 Walnut Street, Newark, NJ 07101. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Settlement Administrator, www.UBSTaxSettlement.com.

All inquiries concerning this Notice should be directed to the Settlement Administrator or Lead Plaintiff's Counsel at:

Goodman v. UBS
Class Action Litigation
c/o Strategic Claims Services
600 N. Jackson St., Suite 205
P.O. Box 230
Media, PA 19063
(866) 274-4004
www.UBSTaxSettlement.com

and/or

Garth A. Spencer, Esq.
GLANCY PRONGAY & MURRAY
LLP
1925 Century Park East, Suite 2100
Los Angeles, CA 90067
(310) 201-9150
gspencer@glancylaw.com

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE
CLERK OF THE COURT, DEFENDANT OR ITS COUNSEL
REGARDING THIS NOTICE.**

Dated: _____, 2023

By Order of the Court
United States District Court
District of New Jersey

Goodman v. UBS Class Action Litigation
c/o Strategic Claims Services
600 N. Jackson St., Ste. 205
Media, PA 19063

Exhibit 2
[Postage Prepaid]

COURT-ORDERED LEGAL NOTICE

Important Notice about a Class Action Settlement.

You may be entitled to a CASH payment. This Notice may affect your legal rights. Please read it carefully.

Name
Address
City, State
Zip

Goodman v. UBS Financial Services Inc.
Case No. 2:21-cv-18123-KM-MAH

***THIS CARD PROVIDES ONLY LIMITED INFORMATION ABOUT THE SETTLEMENT.
PLEASE VISIT WWW.UBSTAXSETTLEMENT.COM FOR MORE INFORMATION.***

A settlement has been reached with UBS in a class action lawsuit alleging that, beginning with the 2014 tax year, UBS failed to report amortizable bond premium, if any, on clients' taxable municipal bonds. UBS denies all the allegations made in the lawsuit, and there has been no final determination by the courts of who was right.

Who is included? You received this notice because UBS's records indicate you may be included in the settlement. You are a "Settlement Class Member" if you acquired certain taxable municipal securities at a premium (above par value) in a taxable account maintained by UBS between January 1, 2014 through December 31, 2019, inclusive, and received a Form 1099 from UBS. **For all details of the Settlement, including the meaning of certain capitalized words in this Postcard Notice, and a listing of the taxable municipal securities at issue in the Settlement, read the Stipulation and full Notice, available at www.UBSTaxSettlement.com.**

What can you get? UBS has agreed to pay a Settlement Amount of \$2,500,000. The Settlement provides that the Settlement Fund, after deduction of any Court-approved attorneys' fees and expenses, service awards, notice and administration costs, and taxes, is to be divided among all persons and entities who, according to records maintained by UBS, are Settlement Class Members, in exchange for the settlement of this case and the Releases by Settlement Class Members of claims related to this case. Your award will be determined *pro rata* based on the size of your alleged financial harm relative that of other Settlement Class Members.

Your options. If you are a Settlement Class Member, you do not have to do anything to qualify for a payment. If you do not want to be legally bound by the Settlement, you must exclude yourself by _____, or you will not be able to sue UBS about the legal claims in this case. If you exclude yourself, you cannot get money from this Settlement. If you want to object to the Settlement, you may file an objection by _____. The detailed Notice explains how to exclude yourself or object.

The Final Approval Hearing. The Court will hold a hearing in this case on _____. At this hearing, the Court will decide whether to approve: the Settlement; Lead Plaintiff's Counsel's request for attorneys' fees and expenses; and a request for a service award to the Plaintiff for representing the Settlement Class. You and/or your lawyer may attend the hearing at your own expense and ask to be heard by the Court, but you do not have to. For more information, call toll-free (866-274-4004) or visit the website www.UBSTaxSettlement.com and read the detailed Notice.

Exhibit B

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

RICHARD GOODMAN, Individually And As
Trustee of the Richard M. Goodman
Revocable Living Trust, And On Behalf Of
All Others Similarly Situated,

Plaintiff,

vs.

UBS FINANCIAL SERVICES INC.,

Defendant.

Case No.: 2:21-cv-18123-KM-MAH

JUDGMENT APPROVING CLASS ACTION SETTLEMENT

WHEREAS, a class action is pending in this Court entitled *Goodman v. UBS Financial Services Inc.*, Civil Action No. 2:21-cv-18123-KM-MAH (the “Action”);

WHEREAS, (a) plaintiff Richard Goodman, individually and as Trustee of the Richard M. Goodman Revocable Living Trust (“Plaintiff”), on behalf of himself and the Settlement Class (defined below); and (b) defendant UBS Financial Services Inc. (“Defendant” or “UBS”; and together with Plaintiff, the “Parties”) have entered into a Stipulation and Agreement of Settlement dated June 8, 2023 (the “Stipulation”), that provides for a complete dismissal with prejudice of the claims asserted against the Defendant in the Action on the terms and conditions set forth in the Stipulation, subject to the approval of this Court (the “Settlement”);

WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall have the same meaning as they have in the Stipulation;

WHEREAS, by Order dated _____, 2023 (the “Preliminary Approval Order”), this Court: (a) preliminarily approved the Settlement; (b) certified the Settlement Class solely for

purposes of effectuating the Settlement; (c) ordered that notice of the proposed Settlement be provided to potential Settlement Class Members; (d) provided Settlement Class Members with the opportunity either to exclude themselves from the Settlement Class or to object to the proposed Settlement; and (e) scheduled a hearing regarding final approval of the Settlement;

WHEREAS, due and adequate notice has been given to the Settlement Class;

WHEREAS, the Court conducted a hearing on _____, 2023 (the “Settlement Hearing”) to consider, among other things, (a) whether the terms and conditions of the Settlement are fair, reasonable and adequate to the Settlement Class, and should therefore be approved; and (b) whether a judgment should be entered dismissing the Action with prejudice as against the Defendants; and

WHEREAS, the Court having reviewed and considered the Stipulation, all papers filed and proceedings held herein in connection with the Settlement, all oral and written comments received regarding the Settlement, and the record in the Action, and good cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the Action, and all matters relating to the Settlement, as well as personal jurisdiction over all of the Parties and each of the Settlement Class Members.
2. **Incorporation of Settlement Documents** – This Judgment incorporates and makes a part hereof: (a) the Stipulation filed with the Court on _____, 2023; and (b) the Notice, and the Postcard Notice, both of which were filed with the Court on _____, 2023.
3. **Class Certification for Settlement Purposes** – The Court hereby affirms its

determinations in the Preliminary Approval Order certifying, for the purposes of the Settlement only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement Class consisting of all persons and entities in the United States that acquired At-Issue Taxable Municipal Securities at a premium (above par value) in a taxable account maintained by UBS between January 1, 2014 through December 31, 2019, inclusive (the “Settlement Class Period”), and who received a Form 1099 from UBS. Excluded from the Settlement Class are Defendant; the Officers and/or directors of UBS; any person, firm, trust, corporation, Officer, director or other individual or entity in which Defendant has a controlling interest or which is related to or affiliated with the Defendant; and the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party. [Also excluded from the Settlement Class are the persons and entities listed on Exhibit 1 hereto who or which are excluded from the Settlement Class pursuant to request.]

4. **Adequacy of Representation** – Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the Court hereby affirms its determinations in the Preliminary Approval Order certifying Plaintiff as the Class Representative for the Settlement Class and appointing Lead Plaintiff’s Counsel as Class Counsel for the Settlement Class. Plaintiff and Lead Plaintiff’s Counsel have fairly and adequately represented the Settlement Class both in terms of litigating the Action and for purposes of entering into and implementing the Settlement and have satisfied the requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g), respectively.

5. **Notice** – The Court finds that the dissemination of the Postcard Notice and the online posting of the Notice: (a) were implemented in accordance with the Preliminary Approval Order; (b) constituted the best notice practicable under the circumstances; (c) constituted notice

that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of (i) the pendency of the Action; (ii) the effect of the proposed Settlement (including the Releases to be provided thereunder); (iii) Lead Plaintiff's Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses; (iv) their right to object to any aspect of the Settlement, the Plan of Allocation and/or Lead Plaintiff's Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses; (v) their right to exclude themselves from the Settlement Class; and (vi) their right to appear at the Settlement Hearing; (d) constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), and all other applicable law and rules.

6. **Final Settlement Approval and Dismissal of Claims** – Pursuant to, and in accordance with, Rule 23 of the Federal Rules of Civil Procedure, this Court hereby fully and finally approves the Settlement set forth in the Stipulation in all respects (including, without limitation: the amount of the Settlement; the Releases provided for therein; and the dismissal with prejudice of the claims asserted against the Defendant in the Action), and finds that the Settlement is, in all respects, fair, reasonable and adequate to the Settlement Class. The Parties are directed to implement, perform and consummate the Settlement in accordance with the terms and provisions contained in the Stipulation.

7. The Action and all of the claims asserted against the Defendant in the Action by Plaintiff and the other Settlement Class Members are hereby dismissed with prejudice. The Parties shall bear their own costs and expenses, except as otherwise expressly provided in the Stipulation.

8. **Binding Effect** – The terms of the Stipulation and of this Judgment shall be forever binding on Defendant, Plaintiff and all other Settlement Class Members (regardless of whether or not any individual Settlement Class Member obtains a distribution from the Net Settlement Fund), as well as their respective successors and assigns. [The persons and entities listed on Exhibit 1 hereto are excluded from the Settlement Class pursuant to request and are not bound by the terms of the Stipulation or this Judgment.]

9. **Releases** – The Releases set forth in paragraphs 5 and 6 of the Stipulation, together with the definitions contained in paragraph 1 of the Stipulation relating thereto, are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date. Accordingly, this Court orders that:

(a) Without further action by anyone, and subject to paragraph 10 below, upon the Effective Date of the Settlement, Plaintiff and each of the other Settlement Class Members, on behalf of themselves, and on behalf of any other person or entity legally entitled to bring Released Plaintiff's Claims on behalf of the respective Settlement Class Member in such capacity only, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiff's Claim against the Defendant and the other Defendant's Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiff's Claims against any of the Defendant's Releasees. [This Release shall not apply to any person or entity listed on Exhibit 1 hereto.]

(b) Without further action by anyone, and subject to paragraph 10 below, upon the Effective Date of the Settlement, Defendant, on behalf of itself, and on behalf of any other person or entity legally entitled to bring Released Defendant's Claims on behalf of the

Defendant in such capacity only, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendant's Claim against Plaintiff and the other Plaintiff's Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Defendant's Claims against any of the Plaintiff's Releasees. [This Release shall not apply to any person or entity listed on Exhibit 1 hereto.]

10. Notwithstanding paragraphs 9(a) – (b) above, nothing in this Judgment shall bar any action by any of the Parties to enforce or effectuate the terms of the Stipulation or this Judgment.

11. **Rule 11 Findings** – The Court finds and concludes that the Parties and their respective counsel have complied in all respects with the requirements of Rule 11 of the Federal Rules of Civil Procedure in connection with the institution, prosecution, defense, and settlement of the Action.

12. **No Admissions** – Neither this Judgment, nor the Stipulation (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Stipulation, nor any proceedings taken pursuant to or in connection with the Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith):

(a) shall be offered against any of the Defendant's Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendant's Releasees with respect to the truth of any fact alleged by Plaintiff or the validity of any claim that was or could have been asserted or the deficiency of any defense that

has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendant's Releasees or in any way referred to for any other reason as against any of the Defendant's Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation;

(b) shall be offered against any of the Plaintiff's Releasees, as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiff's Releasees that any of their claims are without merit, that any of the Defendant's Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiff's Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; or

(c) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given under the Settlement represents the amount which could be or would have been recovered after trial; provided, however, that the Parties and the Releasees and their respective counsel may refer to this Judgment and the Stipulation to effectuate the protections from liability granted hereunder and thereunder or otherwise to enforce the terms of the Settlement.

13. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any way, this Court retains continuing and exclusive jurisdiction over: (a) the Parties for purposes of the administration, interpretation, implementation and enforcement of the Settlement; (b) the disposition of the Settlement Fund; (c) any motion for an award of attorneys' fees and/or

Litigation Expenses by Lead Plaintiff's Counsel in the Action that will be paid from the Settlement Fund; (d) any motion to approve the Plan of Allocation; and (e) the Settlement Class Members for all matters relating to the Action.

14. Separate orders shall be entered regarding approval of a plan of allocation and the motion of Lead Plaintiff's Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses. Such orders shall in no way affect or delay the finality of this Judgment and shall not affect or delay the Effective Date of the Settlement.

15. **Modification of the Agreement of Settlement** – Without further approval from the Court, the Plaintiff and the Defendant are hereby authorized to agree to and adopt such amendments or modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlement that: (a) are not materially inconsistent with this Judgment; and (b) do not materially limit the rights of Settlement Class Members in connection with the Settlement. Without further order of the Court, the Plaintiff and the Defendant may agree to reasonable extensions of time to carry out any provisions of the Settlement.

16. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation or the Effective Date of the Settlement otherwise fails to occur, this Judgment shall be vacated, rendered null and void and be of no further force and effect, except as otherwise provided by the Stipulation, and this Judgment shall be without prejudice to the rights of Plaintiff, the other Settlement Class Members and Defendant, and the Parties shall revert to their respective positions in the Action as of December 23, 2022, as provided in the Stipulation.

17. **Entry of Final Judgment** – There is no just reason to delay the entry of this Judgment as a final judgment in this Action. Accordingly, the Clerk of the Court is expressly directed to immediately enter this final judgment in this Action.

SO ORDERED this _____ day of _____, 2023.

The Honorable Michael A. Hammer
United States Magistrate Judge

Exhibit 1

[List of Persons and Entities Excluded from the Settlement Class Pursuant to Request]