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Order for Notice and Hearing (SMITHA
ANDERSON)

Alice D. Bonner
Superior Court of Fulton County

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agreed with this Court's conclusion that the claims of class members accrue on a month-by-month basis. The Court of Appeals also issued rulings on interest and attorneys' fees.

The parties in Plymel have advised the Court that they will forego further pursuit of an appeal to the Supreme Court of Georgia, provided they act mutually. Class Counsel, on examining whether or not to seek to take a further appeal in Plymel, have recognized that some class members could benefit from an appeal if the Supreme Court were to rule that a twenty-year statute of limitations applies. However, a substantial number of class members could lose the recovery that results from applying the Court of Appeals' ruling on accrual if the Supreme Court were to apply a six-year statute of limitations but were to disagree with the Court of Appeals on the time at which claims accrue. In light of the differing potential impacts of the appeal on class members, the uncertainty and inability to predict the outcome of a further appeal, and the risk that certain benefits presently granted to class members under current rulings could be lost, Class Counsel have asked this Court, in the exercise of its authority to supervise the handling of a class action, to consider whether Plymel may be resolved by the Plaintiffs entering into an agreement with the Defendants whereby any further appeal that may be sought by writ of certiorari to the Court of Appeals' February 19, 2009 decision that affirmed in part and reversed in part this Court's Final Order and Judgment in Plymel will be withdrawn or dismissed, and the matter will be permitted to become final on the terms and conditions provided in the opinion of the Court of Appeals. Class Counsel recommend that the Court approve such a resolution in Plymel.

The Court recognizes the difficulty inherent in the question presented for consideration. The Court has reviewed the Court of Appeals' opinion. From its prior review and knowledge of the briefs on file in this Court, and from its review of the copies of the appellate briefs provided to it by Class Counsel, the Court recognizes that courts can differ on the answers to the questions

now decided by the Court of Appeals and that the answers cannot be predicted with certainty. The Court has concluded that this uncertainty affects both members of the Plaintiff Class and the Defendants in Plymel. The Court has further concluded preliminarily that, in the circumstances of Plymel, this uncertainty, on balance, makes Plymel well-suited for resolution on the terms proposed. Accordingly, the Court has preliminarily approved the proposed agreement in Plymel (that further appeal not be pursued and the matter be permitted to become final on the terms and conditions provided in the opinion of the Court of Appeals). The Court has directed that notice be given to the class in Plymel of their opportunity to object and to appear at a hearing on whether to finally approve the proposed agreement.

Because this action and Plymel share common questions of law, including the questions of the correct statute of limitations and the time at which claims accrue for purposes of the statute of limitations, the decision to agree or not to agree to resolve Plymel on the terms described could have a collateral effect in this case. In this case as well as Plymel, some class members could benefit from an appeal in Plymel if the Supreme Court were to rule that a twenty-year statute of limitations applies, and a number of class members could lose the recovery that results from applying the Court of Appeals ruling on accrual if the Supreme Court were to apply a six-year statute of limitations but were to disagree with the Court of Appeals on the time at which claims accrue. The same uncertainty of outcome that has led the Court to preliminarily approve the resolution of Plymel is also present in this case.

In light of the potential collateral effect in this case, the Court concludes that it is proper and appropriate also to send notice to class members in this case and to provide them with an opportunity to formally submit their objections to resolving Plymel as described and to appear at the hearing. Accordingly, the Court directs that notice be sent to class members as provided in

this Order, that objections be submitted as provided in this Order, and that the matter shall come on for hearing on May 18, 2009, at 10:00 a.m., in Courtroom 9J of the Fulton Superior Court. In connection therewith:

1. The Garden City Group, Inc. ("GCG") shall promptly and expeditiously mail to class members (by first class mail) the notice attached hereto as Exhibit 1. GCG shall use the Class Notice List created by the Settlement Administrator pursuant to the terms of the Findings and Order Preliminarily Approving Settlement, Directing Certain Payments, Directing the Issuance of Notice to the Class, Enjoining Prosecution of Released Claims, and Scheduling a Fairness Hearing (the "Preliminary Approval Order") that the Court has entered in this action.

2. GCG shall also, to the extent practicable in the time available before the hearing scheduled by this Order, employ any additional procedures for locating class members and for further mailing and re-mailing of notice that are provided in paragraph 8 of the Preliminary Approval Order.

3. GCG shall promptly and expeditiously publish the notice attached hereto as Exhibit 2 on two separate days in the ten (10) newspapers published in Georgia with the highest circulation in the State of Georgia.

4. GCG shall promptly and expeditiously add to the website created pursuant to the Preliminary Approval Order a copy of this Order, of the notices attached hereto, of the Court of Appeals' order in Plymel denying the motions for reconsideration and issuing a substituted opinion for the original opinion dated February 19, 2009, and of the Court of Appeals' substituted opinion. These items shall be displayed prominently on the website, with a notation that they are important developments and with a clear statement of the deadlines for responding to the notices.

5. Upon compliance with the foregoing paragraphs 1-4, GCG shall promptly provide Class Counsel with due proof of such compliance. Class Counsel shall in turn submit such proof to the Court in connection with the scheduled hearing.

6. The Court finds as a matter of fact that GCG is a firm that regularly provides class action administration services and is qualified and authorized to provide services to carry out the requirements of this Order.

7. The class in this case has not previously been given notice of the pendency of this case or of the Court's Order certifying the class. Having considered, among other factors: (a) the cost of giving notice by various methods; (b) the resources of the parties; (c) the stake of each class member; and (d) the time remaining within which to effectuate the decision of whether or not to pursue a further appeal in Plymel, the Court finds that notice given in the form and manner provided in the foregoing paragraphs of this Order is the best practicable notice and is reasonably calculated, under the circumstances, to apprise class members of the Court of Appeals' rulings and of the question presented as to whether or not a further appeal should be pursued. The Court further finds that the notice attached hereto is written in sufficiently simple terminology to be readily understandable by class members. In sum, the Court finds that the proposed notice text and methodology are reasonable; that they constitute due, adequate and sufficient notice to all persons entitled to be provided with notice; and that they meet all applicable requirements of the Georgia Code, the Uniform Superior Court Rules, the Georgia Constitution, the United States Constitution (including the Due Process Clause), and any other applicable law.

8. Any class member who complies with the requirements of this paragraph may object to resolving Plymel as described. The class member may assert such objections either on his or her own or through an attorney hired at his or her expense. Any class member who wishes

to so object must file with the Clerk of Court and deliver to Class Counsel and Defendants' Counsel a written statement of objection that references this action and that also contains a statement of each objection being made and a statement of whether the class member or his or her attorney intends to appear at the hearing. The objection should be filed with the Clerk by 5:00 p.m. on May 14, 2009, and delivered to Class Counsel and Defendants' Counsel at the same time at the addresses provided in the notice attached hereto. Any member of the Class who does not timely file and serve a written objection complying with the terms of this paragraph shall be deemed to have waived, and shall be foreclosed from raising, any objection to taking or not taking a further appeal, and any untimely objection shall be barred.

9. If a class member hires an attorney to represent him or her, the attorney must file a notice of appearance with the Clerk of Court by 5:00 p.m. on May 14, 2009, and deliver a copy to Class Counsel and Defendants' Counsel at the same time at the addresses provided in the notice attached hereto or the attorney shall be barred from appearing at the hearing.

10. Any objection filed pursuant to Paragraph 8 of this Order may be deemed frivolous, and the Court reserves the right to award appropriate attorneys' fees, costs and expenses to Class Counsel or Defendants' Counsel.

11. Any class member who fails to comply with the orders of the Court, including the requirements set forth in Paragraph 8 of this Order, shall waive and forfeit any and all rights he or she may have to appear separately or to object and shall be bound by the decision of whether or not to resolve Plymel.

12. Defendants' Counsel and Class Counsel shall serve on each other and on all other persons who have filed notices of appearance, at or before the hearing, any further documents in support of whether a resolution should or should not be agreed to in Plymel.

13. The Court reserves the right to continue the hearing without further written notice. If the hearing is continued from the currently scheduled date of May 18, 2009, information regarding a rescheduled hearing will be posted on the website created pursuant to the Preliminary Approval Order.

SO ORDERED this 18th day of ~~April~~ ^{May}, 2009.

Alice D. Bonner

ALICE D. BONNER
Senior Judge, Superior Court of Fulton County,
Business Case Division

IN THE SUPERIOR COURT OF FULTON COUNTY
STATE OF GEORGIA

SMITHA ANDERSON, <i>et al.</i> ,)	
)	CIVIL ACTION
Plaintiffs,)	FILE NO. 2008-CV-154757
)	
v.)	
)	
PUBLIC SCHOOL EMPLOYEES)	
RETIREMENT SYSTEM OF GEORGIA, <i>et al.</i> ,)	
)	CLASS ACTION
Defendants.)	
)	

NOTICE OF CLASS ACTION AND OF HEARINGS ON MAY 18, 2009 AND JULY 8, 2009
AND OF OBJECTIONS DUE ON MAY 14, 2009 AND JULY __, 2009

If you are receiving benefit payments from the Public School Employees Retirement System of Georgia (PSERS), or if you are an heir or have an interest in the estate of someone who received benefit payments from PSERS, this class action lawsuit may affect your rights.

A court authorized this notice. This is not a solicitation from a lawyer.

- Persons who retired as members of PSERS and who decided to take a reduced benefit when they retired so that someone else could also receive a benefit after their death (an “option-plan retirement”) have sued PSERS for miscalculation of retirement benefits. The lawsuit is called *Anderson, et al. v. Public School Employees Retirement System of Georgia, et al.*, No. 2008-CV-154757, and it is pending in the Superior Court of Fulton County, Georgia. The Court decided this lawsuit should be a class action on behalf of a “Class,” or group of people, that could include you.
- This lawsuit is one of several cases pending in the Superior Court of Fulton County, Georgia in which the plaintiffs assert claims arising from failure by certain state retirement systems to properly calculate retirement benefits when a retiree chooses an option plan retirement. The oldest of these cases is *Plymel v. Teachers Retirement System of Georgia*, and the Court has already applied rulings from *Plymel* to conclude that PSERS miscalculated and underpaid option plan retirement benefits. If you are a class member in this case, you may be entitled to receive both under-calculated past benefits and upward adjustments of your future benefits unless your claims are restricted based upon a statute of limitations.
- Those who retired as members of PSERS from July 1, 1992 through February 28, 2007 and who selected an option-plan retirement may be affected by the miscalculations. In addition, persons may be affected who were named to receive and did receive benefits after the deaths of these retirees, as well as persons who began to receive benefits during the period July 1, 1992 through February 28, 2007 because they were named as beneficiaries by members of PSERS who died in service before retiring. The estates of any of these persons may also be affected.
- This notice relates to several issues that may affect you:

QUESTIONS? CALL 1-800-_____ OR WRITE TO THE GARDEN CITY GROUP, INC. AT
ANDERSON, ET AL. V. PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM, ET AL.,
C/O THE GARDEN CITY GROUP, INC., _____
OR VISIT THE WEBSITE AT WWW._____.COM

- First, if you're included in the Class, you have to decide whether to stay in the Class and be bound by whatever results, or ask to be excluded and keep your right to sue PSERS. The deadline for mailing your request to exclude yourself from the Class if you decide to do that is _____, 2009. You don't have to do anything if you decide to stay in the Class. More information is contained below in this notice.
- Second, there are two upcoming hearings in this case. The first hearing is currently set for May 18, 2009 and relates to a proposed resolution of the Plymel case that can have an effect on the outcome of this case. If you wish to object to the proposed resolution of the Plymel case or attend the hearing, you will need to file papers with the Clerk of the Superior Court by May 14, 2009. For more information, please carefully read the section of this notice titled "The May 18, 2009 Hearing and the Proposed Resolution of Plymel."

The second hearing is currently set for July 8, 2009 and relates to a proposed settlement of **this case**. This second hearing is related to the May 18, 2009 hearing because the terms of the proposed settlement of this case are tied to the terms on which the Plymel case comes to a conclusion. If you wish to object to the proposed settlement in this case or attend the July 8, 2009 hearing, you will need to file papers with the Clerk of the Superior Court by July __, 2009. For more information, please carefully read the section of this notice titled "The July 8, 2009 Hearing and the Proposed Settlement of This Case."

If you are part of the Class and don't exclude yourself from the Class, you will be bound by whatever results from the upcoming court hearings and any further proceedings in the case.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

<p>IF YOU ARE RECEIVING PAYMENTS FROM PSERS AND ARE WITHIN THE GROUP DESCRIBED ABOVE, YOUR RIGHTS AND OPTIONS INCLUDE:</p>	<p>Do nothing to exclude yourself from the Class. Stay in this lawsuit and await the outcome. By doing nothing, you will receive both past underpayments to which you may be entitled depending upon the results of re-calculating the benefits, with interest, and related future upward adjustments of your retirement benefits. Your rights, as discussed in this notice, may be limited by the statute of limitations. If you do nothing, you will not be permitted to sue PSERS separately about these matters, which are already being addressed in this case.</p> <p>If you stay in this lawsuit, you also have the right to object to resolving the cases as described below and to appear at the May and July hearings.</p> <p style="text-align: center;"><u>OR</u></p> <p>Ask to be excluded. Get out of this lawsuit. If you ask to be excluded, you will not receive any money or benefits to which you may be entitled through this case. But, you keep any rights you would otherwise have to sue PSERS separately about the same legal claims in this lawsuit.</p>
<p>IF YOU ARE AN HEIR OR HAVE AN INTEREST IN THE ESTATE OF SOMEONE WHO</p>	<p>Provide contact information. If you want to stay in the lawsuit and recover payments to which the estate may be entitled, you should complete the attached form to provide information so you can be contacted about money to which the estate may be entitled. By providing information, you will stay in this lawsuit and</p>

RECEIVED PAYMENTS FROM PSERS AND WHO WAS WITHIN THE GROUP DESCRIBED ABOVE, PLEASE READ THIS INFORMATION CAREFULLY:

await the outcome and, if the estate is a class member, the estate will receive any money to which the Court has determined the estate is entitled except to the extent that the recovery is limited by a statute of limitations. If you respond by providing information, you also give up any rights to sue PSERS separately on behalf of the estate about the same legal claims in this lawsuit. Also, if you represent an estate that is a class member, and if you stay in this lawsuit, you also have the right to object to resolving the cases as described below and to appear at the May and July hearings.

OR

Do nothing. By doing nothing, you will stay in this lawsuit and await the outcome. If the estate in which you are interested is a class member and you don't provide contact information, you take a risk that you won't be located later if the estate is entitled to a payment. If you do nothing, you also give up any rights to sue PSERS separately on behalf of the estate about the same legal claims in this lawsuit. If you represent an estate that is a class member, and if you stay in this lawsuit, you also have the right to object to resolving the cases as described below and to appear at the May and July hearings.

OR

Ask to be excluded. If you ask to be excluded, you will not receive or share in any money to which the estate would otherwise be entitled through this case, but you keep any rights you would otherwise have to sue PSERS separately on behalf of the estate about the same legal claims in this lawsuit.

- Your options are explained in this notice. To ask to be excluded, you must act before _____.

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BASIC INFORMATION

1. Why did I get this notice?

Records show that you currently receive option-plan retirement payments from the Public School Employees Retirement System of Georgia ("PSERS") or that you may be an heir or have an interest in the estate of someone who received payments from PSERS. This notice explains that the Court has allowed, or "certified," a class action lawsuit that may affect you. You have legal rights and options that you may exercise before the Court issues a final decision.

2. What is a class action and who is involved?

In a class action, one or more people called "Class Representatives" (in this case, Smitha Anderson) sue on behalf of people who have similar claims. The people together are a "Class" or "Class Members." A single court resolves the issues for all Class Members, except for those who exclude themselves from the Class. The Superior Court of Fulton County has certified such a class. The Class Representative will ask the Court to grant her an appropriate award for her services.

3. Why is this lawsuit a class action?

The Court decided that this lawsuit can be a class action and move towards a final decision because it meets the requirements of Official Code of Georgia Annotated Section 9-11-23, which governs class actions in Georgia state courts. Specifically, the Court found that:

- There are several hundred persons within the class;
- There are legal questions and facts that are common to each of them;

- Ms. Anderson as the Class Representative and the lawyers representing the Class will fairly and adequately represent the Class's interests;
- The common legal questions and facts predominate over any questions affecting only individual members; and
- This class action is superior to other available methods for the fair and efficient adjudication of this controversy.

More information about why the Court is allowing this lawsuit to be a class action is in the Court's Order Certifying a Class, which is available at the website at www._____.com.

THE CLAIMS IN THE LAWSUIT

4. What is this lawsuit about? Has the Court decided who is right?

The case is known as Anderson, et al. v. Public School Employees Retirement System of Georgia, et al., Civil Action No. 2008-CV-154757. The person who sued is called the "Plaintiff," and the parties being sued are called the "Defendants." Judge Alice Bonner in the Superior Court of Fulton County, Georgia is presiding over this class action.

The Plaintiff claims that the Defendants violated Georgia law, breached contracts, and breached fiduciary duties when they failed to take the correct mortality tables into account and miscalculated option plan retirement benefits. The Georgia Supreme Court already ruled in 2006 in another case raising the same issues but involving another state retirement system (Plymel v. Teachers Retirement System of Georgia) that the defendants in the other case failed to take correct mortality tables into account when calculating option-plan retirement benefits. The parties and the Court agree that the Georgia Supreme Court's rulings apply to this case. In light of the rulings, those retirees who selected an option plan retirement with PSERS may have been underpaid. In addition, the persons named to receive benefits after the retirees' deaths may have been underpaid if they survived the retirees who named them and received benefits. Also, beneficiaries of PSERS members who died in service before retiring may have been underpaid. The estates of all of these persons also may be affected.

You can read the Plaintiff's Class Action Complaint at the website at www._____.com, and you can read the Opinion of the Supreme Court of Georgia in the Plymel case at the website in that case at www.trssuit.com.

5. What is the Plaintiff asking for?

The Plaintiff asked in her Complaint that PSERS pay Class Members the difference between the benefits they received based on PSERS' improper calculations and the benefits that they should have received. The Plaintiff also asked that PSERS pay interest on the repayments and that any future benefits payable to Class Members be calculated using the correct mortality tables.

6. Is there any money available now?

No money or benefits have been made available yet. You should read the sections of this notice below titled "The May 18, 2009 Hearing and the Proposed Resolution of Plymel" and "The July 8, 2009 Hearing

and the Proposed Settlement of This Case” for information about the proposed resolutions of Plymel and this case. It is not certain at this time whether or not the hearings will result in final approval by the Court of a settlement of this case. If the case is not settled, the final resolution of the case could be delayed. Therefore, the time at which money will be available to be distributed to those who should receive it can’t be predicted with certainty.

WHO IS IN THE CLASS

You need to decide whether you are affected by this lawsuit.

7. Am I part of this Class?

The Court decided that persons who retired as members of PSERS and who selected an option-plan retirement in the period July 1, 1992 through February 28, 2007 may be affected by the miscalculations. In addition, persons may be affected who were named to receive and did receive benefits after the deaths of these retirees, as well as persons who began to receive benefits during the period July 1, 1992 through February 28, 2007 because they were named as beneficiaries by members of PSERS who died in service before retiring. The estates of any of these persons may also be affected. All of these are members of the Class.

8. Are there exceptions to being included?

You are not included in the lawsuit if you retired as a member of PSERS and have always had the “maximum plan retirement” since you retired.

9. I’m still not sure I’m included.

If you are not sure whether you are included in the Class, you may call 1-800-_____ with questions or you may write to The Garden City Group, Inc. at _____ or you may review additional documents at the website at www._____.com.

YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Class or ask to be excluded before the final decision in the case, and you have to decide by _____.

10. What happens if I am currently receiving payments and I do nothing at all?

You don’t have to do anything to keep receiving the payments PSERS is currently paying you. By doing nothing, you are staying in the Class and will be eligible to receive *additional* money, unless your claim is barred by a statute of limitations. Any attorneys’ fees or costs will be paid only from the amounts awarded for *additional* benefits you receive, and will not be deducted from what you are currently receiving from PSERS. How attorneys’ fees and costs will be deducted from this additional money is explained in Question 16, below. If you do nothing, you will be legally bound by all of the Orders the Court issues and judgments the Court makes in this class action.

11. What if I am an heir or beneficiary of the estate of someone who received option-plan retirement benefits from PSERS?

If you are an heir or have an interest in the estate of someone who received option-plan retirement benefits from PSERS, fill out the attached form and provide your name, address, and telephone number and the requested identifying information for the PSERS member so that you can be contacted if and when money becomes available to which the estate may be entitled. If you do not respond, you may be bound by the Orders and judgments in the case and unable to receive benefits later. You may also ask to be excluded from the lawsuit as described in this Notice.

12. What happens if I ask to be excluded?

If you exclude yourself from the Class – which is sometimes called “opting-out” of the Class – you won’t get any money or benefits from this lawsuit. However, you may then be able to sue PSERS separately, depending upon the application of the statute of limitations to your claim. If you exclude yourself, you will not be legally bound by the Court’s judgments in this class action. Because a statute of limitations may apply, if you decide to opt-out, you should consult with another lawyer soon.

You should understand that even if you opt-out of this case and get a separate lawyer to represent you, attorneys’ fees will still be deducted and paid from your benefits to Class Counsel, as explained in Question 16, below.

If you start your own lawsuit against PSERS after you exclude yourself, in addition to having the fees of class counsel deducted from your recovery, you will also have to hire and pay your own lawyer for that lawsuit, and you’ll have to prove your claims.

13. How do I ask the Court to exclude me from the Class?

To ask to be excluded, you must send an “Exclusion Request” in the form of a letter sent by mail, stating that you want to be excluded from Anderson, et al. v. Public School Employees Retirement System of Georgia, et al. Be sure to include your name and address, and sign the letter. You must mail your Exclusion Request postmarked by _____, to Anderson, et al. v. Public School Employees Retirement System of Georgia, et al., c/o The Garden City Group, Inc., _____.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court decided that the law firms of Gregory & Forehand of Cordele, Georgia, Cook & Connelly of Summerville, Georgia, and Rogers & Hardin of Atlanta, Georgia are qualified to represent you and all Class Members. Together the law firms are called “Class Counsel.” They are experienced in handling similar class action cases.

15. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. However, you may choose to hire a different attorney to make an appearance on your behalf in this case or to represent you if you choose to opt-out. But, if you want your own lawyer, you will have to pay that lawyer. For example, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you. But even if you do get your own lawyer, the fees and costs of Class Counsel will still be deducted from any benefits you may receive, as explained below.

16. How will the lawyers be paid?

Class Counsel will ask the Court to award a percentage of the total amount that is owed because of this class action, including the value of future correctly calculated benefits, for attorneys' fees and reimbursement of expenses, plus a payment to be awarded to the Class Representative. The lawyers will make this request whether the case is settled or continues on to a favorable result for the Class. If the Court grants Class Counsel's request, the fees, expenses, and any payment to the Class Representative would be deducted from any money obtained for the Class. If you elect to opt out of the class, any recovery you obtain will remain subject to payment of attorneys' fees to Class Counsel. *See Barnes v. City of Atlanta*, 281 Ga. 256, 637 S.E.2d 4 (2006).

**THE MAY 18, 2009 HEARING AND
THE PROPOSED RESOLUTION OF PLYMEL**

The Statute of Limitations and the Court of Appeals Decision in Plymel. Two of the questions to be resolved in this class action are (1) the correct statute of limitations to be applied to the claims of class members; and (2) the time at which the statute of limitations begins to run on the claims of class members. Statutes of limitations are provisions that cut off or preclude a claim that arose at a time that, under the law, is considered to have been too long ago to be the subject of a lawsuit.

The Court of Appeals of Georgia ruled on February 19, 2009 that class members' claims in Plymel are subject to a six-year statute of limitations. The Court of Appeals also ruled that the statute of limitations begins to run (or operates) such that, even if class members in Plymel first began to receive benefits more than six years before the case was filed, they can recover amounts that they should have been paid beginning six years before the case was filed and coming forward to the present time. They can also recover an upward adjustment of their future benefits. Under the Court of Appeals' ruling, class members in Plymel will not recover any amounts relating to benefits paid more than six years before the case was filed. The Court of Appeals also ruled on the rate of interest to be paid by the Teachers Retirement System and on attorneys' fees to be paid from funds recovered for the Class.

On March 23, 2009, the Court of Appeals denied the parties' requests that it should reconsider its rulings on the statute of limitations. You can review a copy of the Court of Appeals' opinion at the website at www._____.com.

The parties in Plymel propose to resolve the Plymel appeal by foregoing pursuit of any further appeal to the Georgia Supreme Court. Under this proposed agreement, the Court of Appeals' rulings on the statute of limitations would be the law governing payments to Class Members in Plymel. You can read

more about this proposed agreement in the paragraphs of this notice below that begin with “The Proposed Resolution of Plymel.”

Under the proposed settlement of **this case** discussed below in the section of this notice titled “The July 8, 2009 Hearing and the Proposed Settlement of This Action,” the parties would agree to apply the final rulings in Plymel on the statute of limitations to this case, whether those rulings become final in Plymel because the parties agree not to pursue a further appeal or because a further appeal sets the final law. If the proposed agreement in Plymel is finally approved and if the proposed settlement in this case is also finally approved, then the Court of Appeals’ rulings on the statute of limitations described earlier in this notice would be the law governing both Plymel and this case.

This case was filed on August 7, 2008 so that the date of August 7, 2002 begins the time for which recoveries are permitted in this case if the Court of Appeals’ rulings in Plymel are applied to this case. Under those rulings, class members in this case who retired before August 7, 2002, as well as beneficiaries who first received benefits before August 7, 2002, should be able to seek some amount of increased back benefits but only for the period since August 2002, as well as an adjustment of their future benefits. No estate of any PSERS retiree or beneficiary who received benefits before August 7, 2002 but then died before August 7, 2002 will receive any recovery under the Court of Appeals’ ruling. Note also that any recovery will depend upon the results of calculations performed for each individual member of the Class.

The following examples illustrate how the Court of Appeals’ decision in Plymel would be applied to this case. They don’t address all possible circumstances and are provided to assist with class members’ consideration of the impact of the decision in Plymel on their individual circumstances:

Example 1. If a PSERS retiree retired on January 1, 1999, and is still living, PSERS would be responsible for underpayments accruing to this retiree, with interest, from August 7, 2002 through the date of PSERS’s payment. In addition, PSERS would be responsible for future monthly increases to the retiree.

Example 2. If a PSERS retiree retired on January 1, 1999 and died on January 1, 2003 but his or her beneficiary is alive and receiving monthly payments, PSERS would be responsible for underpaid back benefits to the estate of the deceased PSERS retiree from August 7, 2002 through January 1, 2003, and PSERS would be responsible for underpaid back benefits to the retiree’s beneficiary accruing from January 1, 2003 until the time of payment. In addition, PSERS would be responsible for future monthly increases to the retiree’s beneficiary.

Example 3. If a PSERS member died in service in 1999 before retiring and the member’s death-in-service beneficiary is still in life, PSERS would be responsible for all underpaid back payments to the beneficiary accruing from August 7, 2002 through the time of payment, and PSERS would also be responsible for future increases to the beneficiary.

Example 4. If the PSERS retiree retired on January 1, 1993 and died on February 1, 1998, and the retiree’s sole beneficiary died on January 1, 2000, no payments would be owed to the estate of either the retiree or the beneficiary.

Example 5. If a PSERS member retired on or after August 7, 2002, PSERS would be responsible for all underpaid back benefits, and PSERS would also be responsible for future increases to the retiree. If such a member died after retiring, PSERS would be responsible for all underpaid back benefits to the estate of the deceased PSERS retiree.

The Proposed Resolution of *Plymel*. Both sides in the Plymel case could pursue a request that the Georgia Supreme Court accept a further appeal, and the Supreme Court would decide whether to accept the appeal or not. For example, the Plaintiffs could ask the Supreme Court to consider whether the twenty-year statute of limitations should be applied instead of the six-year statute of limitation. The Defendants could ask the Supreme Court to consider whether the Court of Appeals' ruling on when the statute of limitations begins to run is correct. If the Supreme Court were to consider either or both of these questions, its rulings could substantially alter the outcome for a number of class members.

The Defendants in Plymel are willing **not** to pursue a further appeal if the Plaintiffs in Plymel will also **not** pursue a further appeal. Class Counsel, on examining whether or not to pursue a further appeal, have recognized that some class members could benefit from an appeal if the Supreme Court were to rule that a twenty-year statute of limitations applies. However, a number of class members could lose the recovery that results from applying the Court of Appeals rulings if the Supreme Court were to apply a six-year statute of limitations but were to disagree with the Court of Appeals on the time at which the statute begins to run. In light of differing potential impacts of the appeal on class members, the uncertainty and inability to predict the outcome of a further appeal, and the risk that substantial benefits presently granted to class members under current rulings could be lost, Class Counsel have asked the Superior Court, in the exercise of its authority to supervise the handling of a class action, to consider whether or not Plymel may be resolved by the Plaintiffs making an agreement with the Defendants that any further appeal will be dismissed or withdrawn and the matter will be permitted to become final on the terms and conditions provided in the opinion of the Court of Appeals. Class Counsel have recommended that the Superior Court approve an agreement on these terms. If the Superior Court approves such an agreement in Plymel and that approval becomes final, then no party to the case will pursue an appeal from the Court of Appeals' decision and the Court of Appeals' rulings will control further payments to class members in Plymel. If that were to be the result in Plymel, then the same rulings would be applied to claims of class members in this case under the settlement proposed for this case.

Both the Plaintiffs and the Defendants in Plymel have filed requests that ask the Supreme Court to consider taking a further appeal. These requests have been filed so that the time to do so will not expire while the Superior Court is considering the proposed agreement. If the proposed agreement in Plymel is approved and that approval becomes final, the Plaintiffs and the Defendants will seek to withdraw or dismiss their requests.

The Superior Court has agreed to consider this question in Plymel, and it has preliminarily approved an agreement on the basis just described. Because resolving the question of entering into an agreement as described in Plymel can affect the claims of class members in this case, the Court has also directed that class members in this case be given this notice and an opportunity to be heard on the question of whether to finally approve the proposed agreement in Plymel. You can review and obtain a copy of the Superior Court's Order in this case at the website at www.____.com. By following the procedures described below, class members can file objections to the proposed agreement in the Plymel case, and they may also appear at the hearing the Superior Court has set

at 10:00 a.m. on May 18, 2009, in Courtroom 9J of the Superior Court, 136 Pryor Street, Atlanta, Georgia 30316. Further requirements for attorneys are contained in the Superior Court's Order. If you don't object and the Superior Court finally approves the agreement in Plymel, you will be bound by its decision.

If class members wish to file objections or appear, they should file with the Clerk of Court and deliver to Class Counsel and Defendants' Counsel, at the addresses provided below, a written objection which references the name and case number that appears at the beginning of this Notice and that also contains a statement of each objection being made and a statement of whether you intend to appear at the hearing. Class members may object or appear either on their own or through an attorney hired at their individual expense. **The objection should be filed with the Clerk by 5:00 p.m. on May 14, 2009 and delivered to Class Counsel and Defendants' Counsel at the same time. Further requirements for attorneys are contained in the Superior Court's Order.** The addresses to use are as follows:

Court	Class Counsel	Defense Counsel
Clerk of Court Superior Court of Fulton County Attention: _____ [Add address]	David A. Forehand, Jr., Esq. Gregory & Forehand 602 East 16th Avenue Suite D Cordele, GA 31015 Richard H. Sinkfield, Esq. Rogers & Hardin LLP 2700 International Tower 229 Peachtree St., NE Atlanta, GA 30303	Annette M. Cowart, Esq. Senior Assistant Attorney General Shelley S. Seinberg, Esq. Assistant Attorney General Office of the Attorney General 40 Capital Square, S.W. Atlanta, GA 30334

**THE JULY 8 2009 HEARING AND
THE PROPOSED SETTLEMENT OF THIS CASE**

As stated earlier in this notice, the Plaintiff contends in this lawsuit that PSERS miscalculated payments to retirees who decided to take an option-plan retirement, to persons the retirees named as their beneficiaries, and to persons who received benefits after a member died in service before retiring. PSERS has agreed and the Court has ruled that PSERS used outdated mortality tables and, as a result, miscalculated option-plan retirement benefits for all Class Members. The miscalculations have a varying impact on Class Members, depending upon a number of factors, including the options chosen.

The parties have proposed to settle this case on terms under which Class Members who first received benefits on or after August 7, 2002 will receive payment of amounts that PSERS admits are due for past benefits, as well as adjustment of future benefits, in the summer of 2009. These amounts are expected to be paid before the settlement is finally approved because PSERS does not contest that at least these amounts are due. These amounts are not affected by the rulings on the statute of limitations discussed above.

Payment of amounts and adjustment of future benefits for other Class Members will be held in abeyance until the appeal in the Plymel case is finally resolved and the rulings in Plymel on the statute of

limitations are applied to this case. Depending upon the outcome in Plymel, the remaining Class Members may or may not get any payments as a result of this case. For example, if the Plymel appeal concludes with the Court of Appeals' February 19, 2009 rulings on the statute of limitations in effect (which is what would occur in the proposed resolution of Plymel discussed above), then Class Members would be paid in this case under those same rulings. On the other hand, if the Plymel appeal concludes with a different statute of limitations in place or a different ruling on when the statute of limitations begins to run, then the remaining Class Members in this case would be paid under those rulings. It is possible that those rulings would mean that no payments are due.

Please be aware that, regardless of the rulings in Plymel on the statute of limitations, whether individual Class Members will receive any money will depend upon the effect of the correct mortality tables on their own individual calculations.

BASIC INFORMATION ABOUT SETTLING

17. Why is there a settlement?

The Plaintiff and her attorneys ("Class Counsel") have agreed to settle the case after considering, among other things, the substantial benefits available to Plaintiff and the Class under the terms of the settlement; the attendant risks and uncertainty of continuing litigation, especially in complex cases such as this, as well as the difficulties and, in particular, the delays inherent in such litigation; and the corresponding desirability of consummating this Agreement promptly to provide effective relief to the Plaintiff and the Class Members. Plaintiff and Class Counsel have concluded that this settlement is fair, reasonable and adequate.

18. How do I know if I am part of the settlement and are there exceptions to being included?

If you are a member of the Class (see Question 7, above), you are eligible to be part of the settlement. You are not included, however, if you retired as a member of PSERS and have always had the "maximum plan retirement" since you retired. If you are not sure whether you are included in the Class, you may call 1-800-_____ with questions or you may write The Garden City Group at _____ or you may review additional documents at the website at www._____.com.

THE SETTLEMENT BENEFITS-WHAT YOU GET

19. What does the settlement provide?

Under the proposed settlement, repayment of amounts owed to Class Members for whom PSERS does not contest liability (generally, those whose claims arose on or after August 7, 2002), as well as adjustment of future benefits, will be expedited and should commence in the summer of 2009 if the settlement is approved. Payment of amounts and adjustment of future benefits for other Class Members will be held in abeyance until the rulings in the separate Plymel case on the length of the "statute of limitations" and the time at which it begins to run are final in the sense that they are not subject to anyone in that case taking a further appeal. Payments of back benefits, when made, will include interest at the rate of 4 %. Depending upon the rulings in Plymel at that time, the remaining Class Members may or may not get any payments because of this case. Please see the section of this notice titled "May 18, 2009 Hearing and

The Proposed Resolution of Plymel” for information about the proposed agreement in Plymel that would, if approved, make the rulings of the Court of Appeals in that case final.

Please be aware that whether individual Class Members will receive any money will depend upon the effect of the correct mortality tables on their own individual calculations. It is not possible to state at this time how much each Class Member will receive, if anything.

20. What am I giving up to accept the settlement? What claims am I releasing?

If the settlement becomes final, you will be releasing PSERS from all the claims identified in Section IX of the Settlement Agreement. This includes claims that are based on the failure of the Defendants to use the correct mortality tables to calculate option-plan retirement benefits for Class Members in accordance with the decision of the Supreme Court of Georgia in the related case of Plymel v. Teachers Retirement System of Georgia. This release does not include other claims of any Class Member relating to the calculation or determination of benefits owed or claimed to be owed by the PSERS to such Class Member. The Settlement Agreement is available at www.____.com or by calling 1-800-_____, and it describes the Released Claims with more specificity, so read it carefully. Talk to Class Counsel (see the section below on “The Lawyers Representing You”) or your own lawyer if you have questions about the claims you will be releasing or what the terms of the settlement agreement mean. For your convenience, the exact terms of Section IX of the Settlement Agreement are also set out below:

IX. RELEASE, COVENANT, AND PRECLUSION

A. In return for the consideration provided in the Agreement, the Plaintiff and all other Class Members, on their behalf and on behalf of all other Releasers, shall release, acquit and forever discharge the Releasees from any and all past and present actions, suits, causes of action, claims, damages, awards, equitable, legal and administrative relief, interest, demands or rights, whether class, individual or otherwise, including any claims for costs, expenses, penalties, or fees (including attorneys’ fees, expert fees, and consulting fees), for any kind of relief whatsoever (including injunctive relief, monetary relief, damages, punitive damages, restitution, reimbursements, disgorgement, and economic injury) that are based upon the failure of the Defendants to use the correct mortality tables to calculate option-plan retirement benefits for Class Members in accordance with the decision of the Supreme Court of Georgia in Plymel v. Teachers Retirement System of Georgia. This release shall not extend to any other claim of any Class Member relating to the calculation or determination of benefits owed or claimed to be owed by PSERS to such Class Member, including, without limitation, any claim relating to PSERS’ formulas for calculation of benefits or to any error or claimed error in calculating option-plan retirement benefits other than the error of using incorrect mortality tables. By excluding matters from the scope of this release, the Parties do not agree or intend to suggest that meritorious claims relating to such matters may exist but rather agree that such matters (including not only the specific example provided above but also the other more generally described matters above) are outside the scope of this Action and are preserved, if any such claims exist.

B. Plaintiff and all other Class Members, on their own behalf and on behalf of all other Releasers agree, covenant and acknowledge that neither they nor anyone acting on their behalf shall now or hereafter initiate, participate in, maintain, or otherwise bring any action, suit, cause of

action, claim, or demand, either directly or indirectly, derivatively, on their own behalf, or on behalf of the Class or the general public, or any other person or entity, against the Releasees based upon the failure of the Defendants to use the correct mortality tables to calculate option-plan retirement benefits for Class Members in accordance with the decision of the Supreme Court of Georgia in Plymel v. Teachers Retirement System of Georgia. This agreement, covenant and acknowledgment shall not extend to any other claim of any Class Member relating to the calculation or determination of benefits owed or claimed to be owed by PSERS to such Class Member, including, without limitation, any claim relating to PSERS' formulas for calculation of benefits or to any error or claimed error in calculating option-plan retirement benefits other than the error of using incorrect mortality tables. By excluding matters from the scope of this covenant and acknowledgment, the Parties do not agree or intend to suggest that meritorious claims relating to such matters may exist but rather agree that such matters (including not only the specific example provided above but also the other more generally described matters above) are outside the scope of this Action and are preserved, if any such claims exist.

C. Plaintiff and all other Class Members and all the other Releasors, and anyone acting on their behalf or for their benefit, without limitation, are precluded and estopped from bringing any action, suit, cause of action, claim, or demand in the future based upon the failure of the Defendants to use the correct mortality tables to calculate option-plan retirement benefits for Class Members in accordance with the decision of the Supreme Court of Georgia in Plymel v. Teachers Retirement System of Georgia. This preclusion and estoppel shall not extend to any other claim of any Class Member relating to the calculation or determination of benefits owed or claimed to be owed by PSERS to such Class Member, including, without limitation, any claim relating to PSERS' formulas for calculation of benefits or to any error or claimed error in calculating option-plan retirement benefits other than the error of using incorrect mortality tables. By excluding matters from the scope of this preclusion and estoppel, the Parties do not agree or intend to suggest that meritorious claims relating to such matters may exist but rather agree that such matters (including not only the specific example provided above but also the other more generally described matters above) are outside the scope of this Action and are preserved, if any such claims exist.

YOUR RIGHTS AND OPTIONS

21. What happens if I am currently receiving payments and I do nothing at all?

You don't have to do anything to keep receiving the payments PSERS is currently paying you. By doing nothing, you are agreeing with the terms of the settlement and will be eligible to receive **additional** money if the new calculations produce an adjustment for you. Any attorneys' fees or costs will be paid only from the amounts awarded for **additional** benefits you receive and will not be deducted from what you are currently receiving from PSERS. How attorneys' fees and costs will be paid from this additional money is explained in Question 16, above. Also, if you haven't excluded yourself from the Class as described earlier in this notice, you will be legally bound by all of the Orders the Court issues and judgments the Court makes in this class action.

22. What if I am an heir or have an interest in the estate of someone who received option-plan retirement benefits from PSERS?

If you are an heir or have an interest in the estate of someone who received option-plan retirement benefits from PSERS and want to participate in the settlement, please review and follow the directions in Question 11, above. You can also call The Garden City Group at 1-800-_____, and you can write to them at _____.

AWARDS FOR FEES AND EXPENSES

23. Are there any special provisions for paying the lawyers or the Class Representative in the proposed settlement?

As part of the settlement, Class Counsel have agreed to limit the percentage that they will ask the Court to award them as compensation and expenses to 25 % of the amounts that Class Members can recover. PSERS has agreed not to oppose an award up to that percentage. See also Question 16, above. The Court will consider Class Counsel’s application for an award in connection with its decision whether to approve the settlement or not. The Court may award less than Class Counsel have requested. In addition, Smitha Anderson is a Class member like you, and the Court accepted her as the “Class Representative.” She will be asking the Court, in connection with the settlement, to pay her an appropriate award for her services.

OBJECTING TO THE SETTLEMENT

You can tell the Court if you don’t agree with the settlement or some part of it.

24. How do I tell the Court if I don’t like the settlement?

You can object to the settlement entirely or any portion of it. The Court will consider your views as it decides whether to approve the settlement. To object to the settlement, you must send in a written objection in the case. Be sure to include the following information:

- Name of the case (Anderson, et al. v. Public School Employees Retirement System of Georgia, et al.), case number (No. 2008-CV-154757), your full name, address, telephone number, and signature;
- Statement of each objection being made;
- Detailed description of the legal basis/authorities underlying each objection;
- Statement of whether you or your attorney intend to appear at the Fairness Hearing;
- List of any witnesses you intend to call at the Fairness Hearing, and a description of the testimony to be offered; and
- List of exhibits and copies of all exhibits you intend to offer at the Fairness Hearing.

You must mail your objection so that it is received by July __, 2009, to all four addresses listed below:

Court	Class Counsel	Defense Counsel
Clerk of Court Superior Court of Fulton County Attention: _____	David A. Forehand, Jr., Esq. Gregory & Forehand 602 East 16th Avenue	Annette M. Cowart, Esq. Senior Assistant Attorney General Shelley S. Seinberg, Esq.

[Add address]	Suite D Cordele, GA 31015 Richard H. Sinkfield, Esq. Rogers & Hardin LLP 2700 International Tower 229 Peachtree St., NE Atlanta, GA 30303	Assistant Attorney General Office of the Attorney General 40 Capital Square, S.W. Atlanta, GA 30334
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THE COURT’S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend, and you may ask to speak, but you don’t have to.

25. When and where will the Court decide whether to approve the settlement?

The Court has scheduled a Fairness Hearing at 10:00 a.m. on July 8, 2009, at the Courthouse for the Superior Court of Fulton County, Courtroom 9J, 136 Pryor Street, Atlanta, Georgia 30316. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak about an objection (see Question 26 above). The Court may also decide how much to award Class Counsel as fees for representing the Class. At or after the hearing, the Court will decide whether to approve the settlement. We do not know how long this decision will take. The hearing may be moved to a different date without additional notice, so it is a good idea to check www.____.com for updated information.

26. Do I have to come to the hearing?

No. Class Counsel will answer questions that the Court may have. But you are welcome to come at your own expense. If you send an objection, you don’t have to come to Court to talk about it. As long as you filed and mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it’s not necessary.

27. May I speak at the hearing?

If you submitted an objection to the settlement (see Question 24, above), you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a notice saying that it is your or your attorney’s intention to appear in Anderson, et al. v. Public School Employees Retirement System of Georgia, et al., Civil Action No. 2008-CV-154757. Your notice of intention to appear must be received by July __, 2009, and must be sent to the addresses listed in Question 24.

IF YOU DO NOTHING

30. What happens if I do nothing at all?

If you do nothing and you are a member of the Class, you may receive repayment of amounts and adjustment of future benefits depending upon the effect of the correct mortality tables on your own

individual calculation and depending upon the outcome on rulings on the statute of limitations. Also, you will not be able to sue PSERS for the claims resolved in this case, ever again.

GETTING MORE INFORMATION

31. How do I get more information?

This notice summarizes the class action and the proposed settlement. More details are in the court orders and the Settlement Agreement which are available at www._____.com or by calling 1-800-_____. If you have questions, visit the website, call toll free, or write to _____, PO Box __, _____.

PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS.

ANDERSON, ET AL. V. PUBLIC SCHOOL EMPLOYEES
RETIREMENT SYSTEM OF GEORGIA, ET AL.

IF YOU BELIEVE THAT YOU ARE AN HEIR OR HAVE AN INTEREST IN THE ESTATE OF SOMEONE WHO RECEIVED OPTION-PLAN RETIREMENT PAYMENTS FROM PSERS, PLEASE COMPLETE THE FOLLOWING INFORMATION SO YOU MAY BE CONTACTED IF AND WHEN MONEY IS AVAILABLE TO BE DISTRIBUTED TO THOSE WHO ARE ENTITLED TO PAYMENTS. YOU SHOULD RETURN THE COMPLETED FORM POSTMARKED BY _____ TO:

Anderson, et al. v. Public School Employees Retirement System of Georgia, et al.
c/o The Garden City Group, Inc.

Your Full Name

Name Of The Retiree Or Beneficiary Who Received Option-Plan Benefit Payments (and any other names by which this person may have been known)

Social Security Number Of The Retiree Or Beneficiary Who Received Option-Plan Benefit Payments

Approximate Retirement Date Of The Retiree Or Beneficiary Who Received Option-Plan Benefit Payments (if known)

Your Relation To The Retiree Or Beneficiary Who Received Option-Plan Retirement Benefits From PSERS

Your Mailing Address

City

State & Zip

Daytime Telephone Number

Evening Telephone Number

E-mail Address

LEGAL NOTICE

Are you receiving payments from the Public School Employees Retirement System of Georgia? Are you an heir or do you have an interest in the estate of someone who received payments from the Public School Employees Retirement System of Georgia before his or her death?

A court authorized this notice. This is not a solicitation from a lawyer.

If so, you may be affected by a class action lawsuit in which the Court has ruled that the Public School Employees Retirement System of Georgia ("PSERS") miscalculated and underpaid retirement benefits.

The lawsuit is called *Anderson, et al. v. Public School Employees Retirement System of Georgia, et al.*, No. 2008-CV-154757, and is pending in the Superior Court of Fulton County, Georgia. The Court decided this lawsuit should be a class action on behalf of a "Class," or group of people, that could include you. This notice summarizes your rights and options before a final hearing on the issues in the case. For more information, you should obtain and review a copy of the detailed notice that is available on-line at the website at www._____.com or by calling 1-800-_____.

This lawsuit is one of several cases pending in the Superior Court of Fulton County, Georgia in which the plaintiffs assert claims arising from failure by certain state retirement systems to properly calculate retirement benefits when a retiree chooses an "option plan" retirement. The first-filed case is *Plymel v. Teachers Retirement System of Georgia*. Both the Court and the parties have previously recognized that the decisions on the applicable law in *Plymel* (both in the Superior Court and on appeal) in substantial respects have applied and will apply to the other cases, including this case.

This summary notice relates to several issues that may affect you. First, if you're included in the Class, you have to decide whether to stay in the Class and be bound by whatever results, or ask to be excluded and keep your right to sue PSER. The deadline for mailing your request to exclude yourself from the Class if you decide to do that is _____, 2009. You don't have to do anything with respect to that deadline if you decide to stay in the Class. More information is contained below in this notice and also in the longer notice that is available to you at the website www._____.com or by calling 1-800-_____.

Second, there are two upcoming hearings in this case. The first hearing is currently set for May 18, 2009 and relates to a proposed resolution of the *Plymel* case that can have an effect on the outcome of this case. If you wish to object to the proposed agreement in the *Plymel* case or attend the hearing, you will need to file papers with the Clerk of the Superior Court by May 14, 2009. For more information, please carefully read the section of the longer notice titled "The May 18, 2009 Hearing and the Proposed Resolution of *Plymel*."

The second hearing is currently set for July 8, 2009 and relates to a proposed settlement of **this case**. This second hearing is related to the May 18, 2009 hearing because the terms of the proposed settlement of this case are tied to the terms on which the *Plymel* case comes to a conclusion. If you wish to object to the proposed settlement in this case or attend the July 8, 2009 hearing, you will need to file papers with the Clerk of the Superior Court by July ____, 2009. For more information, please carefully read the section of the longer notice titled "The July 8, 2009 Hearing and the Proposed Settlement of This Case."

If you are part of the Class and don't exclude yourself from the Class, you will be bound by whatever results from the upcoming court hearings and any further proceedings in the case.

ARE YOU INCLUDED?

Persons who retired as members of PSERS during the period July 1, 1992 through February 28, 2007 who decided to take a reduced benefit when they retired so that someone else could also receive a benefit after their death (an "option-plan retirement") may be affected by the lawsuit. In addition, persons may be affected who were named to receive and did receive benefits after the deaths of these retirees, as well as the estates of both the retirees and of the persons named to receive benefits after their deaths. Also, persons may be affected who began to receive benefits

during the period July 1, 1992 through February 28, 2007 because they were named as beneficiaries by members of PSERS who died in service before retiring.

WHAT IS THIS CASE ABOUT?

The Plaintiff contends in the lawsuit that PSERS miscalculated payments to retirees who decided to take an option-plan retirement, to persons the retirees named as their beneficiaries, and to persons who received benefits after a member died in service before retiring. PSERS has agreed and the Court has ruled that PSERS miscalculated and underpaid these benefits by failing to use the correct mortality tables when calculating option-plan retirement benefits. As a result, a number of retirees and beneficiaries have received lesser benefits since 1991 than they are and were entitled to receive. The Court may restrict some of the money PSERS would otherwise owe some Class Members based upon laws called statutes of limitations. That question would be resolved as part of the proposed agreements discussed below.

WHO REPRESENTS YOU?

The Court approved Gregory & Forehand of Cordele, Georgia; Cook & Connelly of Summerville, Georgia; and Rogers & Hardin of Atlanta, Georgia to represent you as "Class Counsel." Regardless of what you elect to do, no fees or costs will be deducted from benefits you are currently receiving from PSERS. Instead, Class Counsel have asked the Court for attorneys' fees and costs to be paid out of money determined to be owed to Class members as a result of this lawsuit, before that additional money is distributed to the Class. You may hire your own lawyer to appear in court for you; if you do, you have to pay that lawyer, in addition to having the fees and costs of Class Counsel deducted from additional money you may receive from PSERS. Smitha Anderson is a Class member like you, and the Court accepted her as the "Class Representative." She will be asking the Court to pay her an appropriate award for her services.

WHAT DO YOU DO TO STAY IN THE CLASS OR EXCLUDE YOURSELF FROM THE CLASS?

You have a choice of whether to stay in the Class or not, and **you must decide this by _____**. If you stay in the Class, you will be legally bound by all of the Court's orders and judgments, and you won't be able to sue, or continue to sue, PSERS – as part of any other lawsuit – to recover any payments owed you because of PSERS' miscalculations of benefits that occurred since 1991. If it is determined that you are owed money, you should receive a check. To stay in the Class, you do not have to do anything now except that, if you believe you are

an heir or have an interest in the estate of someone who has received benefits and who may have been a Class member if living, you should fill out and return the form that is part of the detailed notice available by at www._____.com or by calling 1-800-_____.

If you ask to be excluded from the Class, you cannot get any money or benefits from this case, but you will keep any right to sue PSERS for these claims, now or in the future. Even if you ask to be excluded, the fees and costs of Class Counsel would be deducted from what you may receive. To ask to be excluded, send a letter c/o The Garden City Group, Inc., _____, postmarked by _____, that says you want to be excluded from *Anderson, et al. v. PSERS, et al.* Include your name, address, and telephone number.

WHAT ARE THE PROPOSED RESOLUTIONS OF THE PLYMEL CASE AND OF THIS CASE?

Two of the questions to be decided in the Plymel case and in this case are (1) the correct statute of limitations to be applied to the claims of class members, and (2) the time at which the statute of limitations begins to run on the claims of class members. Statutes of limitations are provisions that cut off or preclude a claim that arose at a time that, under the law, is considered to have been too long ago to be the subject of a lawsuit.

The Court of Appeals of Georgia ruled on February 19, 2009 that class members' claims in Plymel are subject to a six-year statute of limitations. The Court of Appeals also ruled that the statute of limitations begins to run (or operates) such that, even if class members in Plymel first began to receive benefits more than six years before the case was filed, they can recover amounts that they should have been paid in the six years before the case was filed as well as amounts that they should have been paid in the years since the case was filed. They can also recover an upward adjustment of their future benefits. Under the Court of Appeals' rulings, class members in Plymel will not recover any amounts relating to benefits paid more than six years before the case was filed. You can review a copy of the Court of Appeals opinion at the website at www._____.

The parties have proposed to resolve the Plymel appeal by foregoing pursuit of any further appeal to the Georgia Supreme Court. Under this proposed resolution, the Court of Appeals' rulings on the statute of limitations would be the law governing payments to Class Members in Plymel. You can read more about for this proposed agreement in the section of the longer notice titled "The May 18, 2009 Hearing and the Proposed Resolution of Plymel."

Under the proposed settlement of this case discussed below and in the longer notice that you can obtain, the parties would agree to apply the final rulings in Plymel on the statute of limitations to this case, whether those rulings become final in Plymel because the parties agree not to pursue a further appeal or because a further appeal sets the final law. If the proposed resolution in Plymel is finally approved and if the proposed settlement in this case is also finally approved, then the Court of Appeals' rulings on the statute of limitations described earlier in this notice would be the law governing both Plymel and this case.

This case was filed on August 7, 2008 so that the date of August 7, 2002 begins the time for which recoveries are permitted in this case if the Court of Appeals' rulings in Plymel are in effect when the Plymel appeal finally concludes. Under those rulings, class members in this case who retired before August 7, 2002, as well as beneficiaries who first received benefits before August 7, 2002, should be eligible to seek some amount of increased back benefits but only for the period since August 2002, as well as an adjustment of their future benefits. No estate of any PSERS retiree or beneficiary who received benefits before August 7, 2002 but then died before August 7, 2002 will receive any recovery if the Court of Appeals' ruling becomes the governing rule in this case.

Under the proposed settlement of this case, payment of amounts owed to Class Members for whom PSERS does not contest liability (those Class Members who first began to receive benefits on or after August 7, 2002), as well as adjustment of their future benefits, should commence in the summer of 2009. Payment and adjustment of future benefits for other Class Members would be held up until the Plymel case concludes on the statute of limitations and the rulings in that case on the statute of limitations can be applied to decide which of the other Class Members can recover and how much. Depending upon the outcome in Plymel, the other Class Members may or may not get any payments as a result of this case.

Please be aware that whether individual Class Members will receive any money will depend upon the effect of the correct mortality tables on their own individual calculations.

As part of the settlement, Class Counsel have agreed to limit the percentage that they will ask the Court to award them as compensation and expenses to 25 % of the amounts that Class Members can recover, and PSERS has agreed not to oppose an award up to that percentage. The Court will consider Class Counsel's application for an award in connection with its decision whether to approve the settlement or not. The Court may award less than Class Counsel have requested. In addition, Smitha

Anderson is a Class member like you, and the Court accepted her as the "Class Representative." She will be asking the Court, in connection with the settlement, to award her an appropriate amount for her services.

WHAT ARE YOUR OPTIONS ON THE PROPOSED RESOLUTIONS OF THE CASES IF YOU STAY IN THE CLASS?

You may object to the proposed resolution in Plymel or the proposed resolution in this case, or to any part of either, including to the payment to Class Counsel. **You must decide whether to object in Plymel by May 14, 2009.** You may also appear in Court at the hearing the Court has set on whether or not to approve the proposed agreement in Plymel. To do either of these, there are certain procedures that you must follow. You may also hire your own lawyer to appear in court for you; if you do, you have to pay that lawyer, in addition to having the fees and costs of Class Counsel deducted from additional money you may receive from PSERS.

If you don't exclude yourself from the Class, you must decide whether to object to the settlement of this case by July __, 2009. You may also appear in Court at the hearing the Court has set on whether or not to approve the settlement in this case. To do either of these, there are certain procedures that you must follow. You may also hire your own lawyer to appear in court for you; if you do, you have to pay that lawyer, in addition to having the fees and costs of Class Counsel deducted from additional money you may receive from PSERS.

For further information, including the procedures that you must follow if you wish to object to either or both of the proposed resolutions or to appear at either or both of the hearings, you should review the longer notice that is available at the website at www._____ or send a letter to The Garden City Group at _____ to get a copy of the notice. You may also call 1-800-_____.