

COMMONWEALTH OF KENTUCKY
FAYETTE CIRCUIT COURT
DIVISION FOUR
CIVIL ACTION NO. 06-CI-00069

DEC 19 2007

CURTIS D. CONGLETON, JR., et al.

PLAINTIFFS

v.

FINAL JUDGMENT

BURLEY TOBACCO GROWERS COOPERATIVE
ASSOCIATION, et al.

DEFENDANTS

** ** * * * * *

This case was initially filed in the Fayette District Court on December 31, 2004. By Orders of this Court entered November 30, 2005, and of the Fayette District Court entered January 4, 2006, the case was transferred to this Court. The procedural history of this case is extensive; and the Court has previously entered a series of Opinions and Orders adjudicating the principal substantive issues in this case. At this juncture, all pre-judgment substantive issues in this case have been duly heard and addressed, and entry of a Final Judgment is appropriate. Now therefore, the Court being sufficiently advised, **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** as follows:

1. The Court's Opinion and Order entered February 13, 2007 (DKT # 168), denying the Named Plaintiffs' Motion for Certification of Plaintiff Class of Growers of Burley Tobacco Included in the 1983-2004 Pool Crops; granting Defendant Burley Tobacco Growers Cooperative Association's ("Association") Motion to Vacate the District Court's Order dated June 7, 2007 certifying the 1982 Class; and decertifying the 1982 Class, is incorporated herein by reference.

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2. The Court's Opinion and Order pertaining to Named Plaintiffs' Contract Claim: 1982 Participation Certificates entered March 13, 2007 (DKT # 173), dismissing Named Plaintiff's claims on the 1982 Participation Certificates, is incorporated herein by reference.

3. The Court's Order entered May 8, 2006 (DKT # 195), dismissing the individual Named Defendants without prejudice, as modified by the Court's Order Dismissing with Prejudice and Vacating Order of May 30, 2007 (DKT # 201) entered June 4, 2007, is incorporated herein by reference.

4. The Court's "Order Creating and Funding Qualified Settlement Fund Trust" (DKT # 243), entered September 28, 2007, pursuant to which the Court ordered the establishment of a Qualified Settlement Fund Trust ("QSFT") by the Association and approved the designation and appointment of Central Bank & Trust Co. ("Trustee") as trustee of the QSFT, is incorporated herein by reference. The Trustee is authorized in its fiduciary discretion to pay the amounts provided for herein and the reasonable expenses of the QSFT from the funds it is holding as Trustee, including without limitation, storage fees for the FETRA Tobacco constituting the FETRA Tobacco Judgment as provided for herein, the Trustee's reasonable fees, reasonable fees to distribution agents for their services in distributing funds to members of the Association in accordance with this Order, professional fees and expenses and incentive fees pursuant to the Cost and Fee Order, and as otherwise provided herein, and in the Agreed Order entered this date granting the Association an additional credit against the FETRA Tobacco Sale Proceeds Judgment.

5. The Court's Opinion and Judgment on "FETRA Tobacco" and Sales Proceeds Thereon (DKT # 174), entered March 15, 2007, as modified by the Opinion and Order (1% Reserve Issue Under Reconsideration) (DKT # 189), entered April 24, 2007, as modified by the

Opinion and Order (Debits and Credits) (DKT # 195), entered May 8, 2007, as modified by the Order Amending Opinion and Order (Debits and Credits) (DKT # 211), entered July 3, 2007, as modified by the Order (DKT # 248) entered November 30, 2007, and as modified by the Agreed Order entered of even date herewith (collectively the "FETRA Judgment") is incorporated herein by reference.

6. The FETRA Judgment is comprised of three subdivisions of award and judgment as follows:

A. FETRA Tobacco Sale Proceeds Judgment. The proceeds of the sale of FETRA Tobacco and the investment interest and income which accrued on such sales proceeds of various lots of the FETRA Tobacco from the dates such sales proceeds were obtained while in the possession of the Association, after the debits and credits set forth in the FETRA Judgment, in the amount of \$60,333,832.59¹ ("FETRA Tobacco Sale Proceeds Judgment"), and subject to the provisions of the Cost and Fee Order, set forth below, and the terms of this Final Judgment is the property of the members² of the Association; and the net amount of the FETRA Tobacco Sale Proceeds Judgment, after the deductions provided for herein, is to be forthwith distributed from the QSFT to the members of the Association in accordance with a Service Agreement ("Service Agreement") by and between U.S. Bank National Association, through its Information Consulting Group, as Disbursing Agent and Trustee, substantially in the form which is attached hereto as and made a part hereof as EXHIBIT A³.

¹ \$68,433,720.44 principal and interest/income was initially transferred by the Association to the QSFT (as hereinafter defined) on September 28, 2007, \$1,900,112.15 additional interest/income was subsequently transferred by the Association to the QSFT; and the Trustee has been ordered this date to return \$10,000,000.00 to the Association from the QSFT.

² By "members of the Association", the Court is referring to the Members as determined and set forth in the FETRA Judgment.

³ The Court grants the Trustee fiduciary discretion in making and entering into the final form of the Service Agreement.

B. FETRA Tobacco Judgment. The approximately 3,598,994 pounds of FETRA Tobacco in the custody⁴ of the Association (“FETRA Tobacco Judgment”), and subject to the provisions of the Cost and Fee Order, set forth below, the Transfer, Custodian, Marketing and Storage Agreement dated as of September 28, 2007, and the terms of this Final Judgment, is the property of the members of the Association⁵, and shall be liquidated by the Trustee through the Association as its marketing agent in a business-like manner, in accordance with the FETRA Judgment and the net amount of said sales proceeds, after the deductions provided for herein, is to be distributed from the QSFT to the members of the Association under further orders of this Court.

C. FETRA Tax Recovery Judgment. Refunds/recoveries of federal income taxes paid by the Association on the FETRA Tobacco Proceeds, and recoveries of interest accruing on such taxes paid (“FETRA Tax Recovery Judgment”), and subject to the provisions of the Cost and Fee Order, set forth below, and the terms of this Final Judgment are the property of the members of the Association. The refund/recovery of such federal income taxes paid by the Association on the FETRA Tobacco Proceeds, and recoveries of interest accruing on such taxes paid is to be sought by the Association⁶, with the advice and approval of the Trustee and counsel for Named Plaintiffs. Any refund/recovery of federal income taxes paid by the Association on the FETRA Tobacco Proceeds, and recoveries of interest accruing on such taxes paid being obtained by the Association, shall immediately upon receipt be deposited by the

4 By Sales Confirmation US 2007007 dated October 26, 2007, the Association has agreed to the sale of 178.2 Metric Tons (392,860 pounds) of grade S-C3F and 217.8 Metric Tons (480,162 pounds) grade S-B3f of this burley tobacco for delivery in January 2008, to China National Tobacco IMP. & Exp. Group Corporation; and this agreement has been assigned to the QSFT by the Transfer, Custodian, Marketing and Storage Agreement dated December 18, 2007.

5 The 3,598,994 pounds of FETRA Tobacco has been transferred by the Association to the QSFT by the Transfer, Custodian, Marketing and Storage Agreement dated as of September 28, 2007.

6 Reasonable expenses to third parties (i.e. accountants and tax lawyers) incurred in preparing amended returns and prosecuting such refunds/recoveries shall be an expense of the QSFT and the Trustee is authorized to pay the same as and when incurred.

Association into the QSFT, and, the net amount of such recoveries, after the deductions provided for herein, shall be distributed forthwith from the QSFT to the members of the Association under further orders of this Court, following the expiration of any limitations periods under federal law for IRS challenge of such refunds as certified by the Administrative Agent for the Trustee.

6. Post Judgment Interest on the FETRA Judgment shall accrue as follows:

A. FETRA Tobacco Sale Proceeds Judgment. From the date hereof through the date of the payments pursuant to the Cost and Fee Order and this Final Judgment and the disbursement and distribution of the net the amount of the FETRA Tobacco Sale Proceeds Judgment to the members of the Association pursuant to this Final Judgment, post judgment interest shall accrue for the benefit of the members of the Association, on the FETRA Tobacco Sales Proceeds Judgment at a rate equivalent to the investment interest accruing on the FETRA Tobacco Sale Proceeds Judgment in the hands of the Trustee.

B. FETRA Tobacco Judgment. No post judgment interest shall accrue on the FETRA Tobacco Judgment; provided that as and when various lots of the FETRA Tobacco comprising the FETRA Tobacco Judgment are sold and until the date of the payments pursuant to the Cost and Fee Order and this Final Judgment and disbursement and distribution of the net proceeds of such various lots of FETRA Tobacco comprising the FETRA Tobacco Judgment to the members of the Association pursuant to this Final Judgment occurs, post judgment interest shall accrue for the benefit of the members of the Association on the sales proceed of such lots at a rate equivalent to the investment interest accruing thereon in the hands of the Trustee.

C. FETRA Tax Recovery Judgment. No post judgment interest shall accrue on the FETRA Tax Recovery Judgment; provided that as and when refunds/recoveries of federal income taxes paid by the Association on the FETRA Tobacco Proceeds and refunds/recoveries

of interest on such taxes paid are received and until the date of the payments pursuant to the Cost and Fee Order and this Final Judgment and the disbursement and distribution of the net of the amount of the FETRA Tax Recovery Judgment to the members of the Association pursuant to this Final Judgment, post judgment interest shall accrue for the benefit of the members of the Association on such refunds/recoveries of federal income taxes paid by the Association on the FETRA Tobacco Proceeds and refunds recoveries of interest on such taxes paid, at a rate equivalent to the investment interest accruing thereon in the hands of the Trustee.

7. The Court's Opinion and Order pertaining to Named Plaintiffs' and Counsel's Application for Allowance of Costs and Expenses, Incentive Payments and Attorney's Fees to Be Paid from the Common Fund (DKT # 245), entered October 7, 2007, awarding Named Plaintiffs and counsel costs and expenses, incentive payments and attorney's fees to be paid from Common Fund ("Cost and Fee Order"), is incorporated herein by reference. The Trustee shall forthwith on the date of entry of this Final Judgment, pay the Incentive Payments awarded to the Named Plaintiffs, in the amount of \$10,000.00 each, to Curtis D. Congleton, Jr., James A. Wade, Darrell Myers, Richard Wallin, Gary Hippe, Floyd Roark, David Talley, and Barton Brothers, a Kentucky general partnership. Costs and expenses incurred by counsel for Named Plaintiffs as of the date of entry of the Cost and Fee Order, which shall be paid forthwith by the Trustee on the date of entry of this Final Judgment, are liquidated as follows: (i) McBrayer, McGinnis, Leslie & Kirkland, PLLC: \$143,170.47; (ii) Frost; Brown, Todd, PLLC: \$126,078.62; (iii) Speights & Runyan: \$92,708.59; and (iv) Williams & Williams: \$10,277.05. Attorneys fees due and payable to counsel for Named Plaintiffs, by reason of the FETRA Tobacco Sale Proceeds Judgment, as provided for in the Cost and Fee Order are awarded in an amount equal to fifteen percent (15%) of the FETRA Tobacco Sales Proceeds Judgment and accrued investment

interest income thereon in the hands of the Trustee as of the date of the initial distribution to the members of the Association pursuant to this Final Judgment; and the Trustee is authorized and directed to compute and pay this amount forthwith on the date of entry of this Final Judgment to Frost Brown Todd, LLP, c/o Paul Sullivan, as representative of all counsel for Named Plaintiff's. Attorneys fees due and payable to counsel for Named Plaintiffs by reason of the FETRA Tobacco Judgment as provided for in the Cost and Fee Order are awarded in an amount equal to fifteen percent (15%) of the sales proceeds of the FETRA Tobacco comprising the FETRA Tobacco Judgment and accrued investment interest income on such sales proceeds in the hands of the Trustee through the date of distribution of the net sales proceeds of the FETRA Tobacco comprising the FETRA Tobacco Judgment to the members of the Association pursuant to this Final Judgment; and the Trustee is authorized and directed to compute and pay this amount forthwith to Frost Brown Todd, LLP, c/o Paul Sullivan, as representative of all counsel for Named Plaintiff's, periodically on the receipt from time to time and at any time, by the Trustee of sales proceeds of the FETRA Tobacco constituting the FETRA Tobacco Judgment the time of such distribution to members. Attorneys fees due and payable to counsel for the Named Plaintiffs by reason of the FETRA Tax Recovery Judgment, as provided for in the Cost and Fee Order, are awarded in an amount equal to fifteen percent (15%) of the FETRA Tax Recovery Judgment and accrued investment interest income thereon in the hands of the Trustee from the date of such recovery through the date of distribution of the net of such recovery to the members of the Association pursuant to this Final Judgment plus any itemized expenses approved by the Trustee; and the Trustee is authorized and directed to compute and pay this amount from the QSFT forthwith to Frost Brown Todd, LLP, c/o Paul Sullivan, as representative of all counsel for

Named Plaintiff's, on the date of the expiration of any limitations periods under federal law for IRS challenge of such refunds as certified by the Administrative Agent of the QSFT.

8. The Court does hereby authorize and approve: (i) the appointment and designation of Disbursing Agent as disbursing agent pursuant to the Service Agreement; (ii) the fee and expenses of Disbursing Agent set forth in the Service Agreement, (iii) the payment by Trustee to Disbursing Agent of Disbursing Agent's fees set forth in the Service Agreement from the funds of the QSFT; (iv) the payment by Trustee of the expenses of counsel for the Named Plaintiffs and attorney's fees set forth in paragraph 7 of counsel for the Named Plaintiffs; (v) the payment by Trustee of the Incentive Payments awarded to the Named Plaintiffs, in the amount of \$10,000.00 each, to Curtis D. Congleton, Jr., James A. Wade, Darrell Myers, Richard Wallin, Gary Hippe, Floyd Roark, David Talley, and Barton Brothers, a Kentucky general partnership, and (vi) the establishment of the demand deposit account by Trustee into which funds from the QSFT shall be deposited by Trustee and the retainer of accrued interest on daily balances in such Demand deposit account for subsequent distribution to the Members of the Association in accordance with further orders of this Court.

9. Without affecting the finality of this Judgment, the Court retains jurisdiction over this action for the purposes of:

a. Effectuating the fair and orderly administration of the distribution of the FETRA Tobacco Sale Proceeds Judgment Amount and the liquidated amount of the FETRA Tobacco Judgment as may from time to time be appropriate, and resolution of any and all disputes arising hereunder, pursuant to the Service Agreement or otherwise, including without limitation the establishment of the demand deposit account by Trustee into which funds from the QSFT shall be deposited by Trustee and the retainer of accrued interest on daily balances in such

Demand deposit account for subsequent distributions to the Members of the Association in accordance with further orders of this Court.

b. Monitoring, if necessary, the pursuit of the FETRA Tax Recovery, and effectuating the fair and orderly administration of the distribution of the liquidated amount of the FETRA Tax Recovery, as may from time to time be appropriate, and resolution of any and all disputes arising hereunder, and the entry of further orders with respect thereto.

c. Liquidating the attorney's fees, costs and expenses to be awarded to counsel for the Named Plaintiffs from the FETRA Tax Recovery.

d. Post judgment issues which may arise, as permitted by the Kentucky Rules of Civil Procedure, Kentucky Revised Statutes and applicable law.

e. Overseeing the administration of the QSFT and making any determinations requested by the Trustee.

10. The individual Named Defendants and the Association shall respectively bear their own costs and attorneys fees herein incurred (the Court notes that the Association has paid the individual Named Defendants' costs and attorney's fees). The Named Plaintiffs' attorneys fees and costs shall be borne by the QSFT as provided above.

11. Execution on this judgment shall issue forthwith.

12. This is a final and appealable Judgment and there is no just reason for delay.

SO ORDERED this _____ day of DEC 18 2007, 2007.

/S/ PAMELA R. GOODWINE

A TRUE COPY

ATTEST: WENDY L. LENCH, CLERK

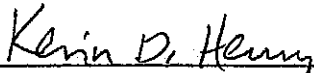
FAYETTE CIRCUIT COURT

HON. PAMELA R. GOODWINE *ESB pm*
JUDGE, FAYETTE CIRCUIT COURT
FOURTH DIVISION

Have seen:



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McBRAYER, McGINNIS, LESLIE
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Lexington, Kentucky 40507-1361
COUNSEL FOR NAMED PLAINTIFFS



E. Douglas Stephan, Esq.
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Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street, Suite 1400
Lexington, Kentucky 40507
ATTORNEYS FOR DEFENDANT,
BURLEY TOBACCO GROWERS
COOPERATIVE ASSOCIATION, INC.

CLERK'S CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing Final Judgment was mailed, by first class US mail, postage prepaid, on this the 19 day of December, 2007 to the following:

Robert E. Maclin, III, Esq.
McBRAYER, McGINNIS, LESLIE & KIRKLAND, PLLC
201 East Main Street, Suite 1000
Lexington, KY 40507-1361

E. Lambert Farmer, Jr., Esq.
FROST BROWN TODD LLC
250 West Main Street, Suite 2700
Lexington, KY 40507-1749

C. Alan Runyan, Esq..
SPEIGHTS & RUNYAN
200 Jackson Avenue East

Hampton, SC 29924

E. Douglas Stephan, Esq.
Kevin G. Henry, Esq.
STURGILL, TURNER, BARKER & MOLONEY, PLLC
333 West Vine Street, Suite 1400
Lexington, KY 40507

Walter J. Lynch
FAYETTE CIRCUIT COURT

by Staff

CLERK, FAYETTE CIRCUIT COURT

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EXHIBIT A

SERVICE AGREEMENT

This **SERVICE AGREEMENT** ("Agreement") is made and entered into on this ____ day of December, 2007, by and between **U.S. Bank National Association**, through its **Information Consulting Group** ("Disbursing Agent"), and **Central Bank & Trust Co.** as and in its capacity as Trustee of the Irrevocable Qualified Settlement Fund Trust under that certain agreement dated September 28, 2007 ("Trustee").

WHEREAS, Trustee serves as trustee of the Qualified Settlement Fund Trust created by the instrument attached hereto and made a part hereof as EXHIBIT A (the "QSFT") in accordance with 26 U.S.C. § 68B and CFR 1.468B-1, for the purposes of the receipt of and holding of an award and judgment in the amount of \$70,333,832.59 as provided for by the Court's Opinion and Judgment on "FETRA Tobacco" and Sales Proceeds Thereon, entered March 15, 2007, as modified by the Opinion and Order (1% Reserve Issue Under Reconsideration), entered April 24, 2007, as modified by the Opinion and Order (Debits and Credits), entered May 8, 2007, as modified by the Order Amending Opinion and Order (Debits and Credits), entered July 3, 2007, as modified by the Order entered November 30, 2007 and as modified by the Order entered December __, 2007 incorporated into the Agreed Final Judgment entered December __, 2007 (collectively the "FETRA Judgment") in the case captioned Curtis Congleton, Jr., et al. v Burley Tobacco Growers Cooperative Association, et al., Fayette County, Kentucky Circuit Court, Case No. 06-CI-00069 (the "Litigation").

WHEREAS, the Trustee in accordance with the Agreed Final Judgment, and by reason of the expertise of Disbursing Agent desires to retain Disbursing Agent to distribute an initial distribution amount of \$_____ ("Distribution Amount"), which is a portion of the FETRA Tobacco Sale Proceeds Judgment Amount (the amount of the FETRA Tobacco Sale Proceeds Judgment Amount, remaining after incentive payments, attorneys fees and expenses, and exclusive of attorneys fees), to the membership of the Burley Tobacco Growers Cooperative Association ("Association") in accordance with the Final Judgment in the Litigation.

NOW THEREFORE, Disbursing Agent and Trustee agree as follows:

1. **ENGAGEMENT**. Trustee hereby engages Disbursing Agent, and Disbursing Agent accepts such engagement, to distribute the Distribution Amount to the Association's members in accordance with the Engagement Instructions set forth on Exhibit A attached hereto and made a part hereof (the "Engagement").

2. **PRICES, CHARGES AND PAYMENT**. Disbursing Agent shall charge, and Trustee shall pay the amount of \$201,910.00, to Disbursing Agent for its services and expenses incurred to perform the Engagement. Provided, however, that if a report (other than the report contemplated by the Engagement Instructions), or deposition, or trial testimony is required, Disbursing Agent reserves the right to request payment of outstanding fees and expenses prior to submission of such report or testimony. Disbursing Agent's fees and expenses shall be payable in arrears on Disbursing Agent's full performance of the Engagement.

3. CONFIDENTIAL AND PROPRIETARY INFORMATION.

a. The Association, on even date herewith has provided Disbursing Agent with the identity and 911-service compliant address of each member of the Association to whom the Distribution Amount shall be distributed. Disbursing Agent acknowledges that this information and all other information and materials disclosed to it by Trustee or Association, and the work Disbursing Agent provides to Trustee hereunder, are confidential and proprietary, and Disbursing Agent will abide by all reasonable restrictions placed by Trustee on the dissemination of such information, materials and work (collectively, the "Protected Information"). In the event that Disbursing Agent is served with a subpoena or other legal document requesting the disclosure of the Protected Information, Disbursing Agent shall promptly advise Trustee, and Disbursing Agent will cooperate with all reasonable and lawful requests by Trustee to prevent the disclosure of the Protected Information pursuant to such subpoena or other request. Any and all studies, reports, surveys of data, work papers, or other information prepared by Disbursing Agent in connection with its work hereunder shall be the property of Disbursing Agent.

b. Disbursing Agent shall keep confidential and not disseminate to any third party, without the express written authorization of Trustee, the Protected Information received from Trustee. Disbursing Agent shall not use the Protected Information received from Trustee for Disbursing Agent's own business or commercial purposes. Provided however, the restrictions on Disbursing Agent contained herein shall not apply to any data and documentation:

i. which is in the public domain at the time it was disclosed by Trustee and/or Association to Disbursing Agent or at any time thereafter; or

ii. which was already known to Disbursing Agent at the time of disclosure by Trustee and/or Association or at any time thereafter; or

iii. which is independently developed by Disbursing Agent; or

iv. which becomes known to Disbursing Agent from a source other than Trustee and/or Association without breach of the Agreement by Disbursing Agent.

4. RIGHTS OF OWNERSHIP. Disbursing Agent and Trustee understand that the software programs and other similar proprietary materials (including the software program and the name of *ClaimTrack*) furnished by Disbursing Agent pursuant to this Agreement and/or developed during the course of performance of this Agreement by Disbursing Agent are the sole property of Disbursing Agent. The term "program" shall include, without limitation, data processing programs, specifications, applications, routines, subroutines, procedural manuals, and documentation. Trustee agrees not to copy or permit others to copy for unauthorized use the source code from the support software or any other programs or similar proprietary materials furnished pursuant to this Agreement. Trustee agrees that any ideas, concepts, know-how, or techniques relating to data processing or Disbursing Agent's performance of its services developed during the course of performance of this Agreement by Disbursing Agent shall be exclusive property of Disbursing Agent. Upon Trustee's request any time while this Agreement is in effect, Disbursing Agent shall immediately deliver to Trustee at Trustee's sole expense, any or all of the non-proprietary data, information, and records held or controlled by Disbursing

Agent pursuant to this Agreement, in a form reasonably requested by Trustee. Trustee shall remain liable for all charges imposed under this Agreement as a result of data or physical media maintained by Disbursing Agent; provided, however, that any additional services not contemplated under this Agreement must be separately negotiated and approved by the parties hereto and counsel for parties to the Litigation. Disbursing Agent shall dispose of the data and media in a manner reasonably requested by Trustee.

5. **SYSTEM IMPROVEMENTS.** Disbursing Agent's policy is to provide continuous improvements in the quality of service to Trustee. Therefore, Disbursing Agent reserves the right to make changes in operation procedure, operating systems, programming languages, general purpose library programs, application programs, time period of accessibility, types of terminal and other equipment, all of which are used to serve Trustee.

6. **DISCLOSURE UNDER THE U.S.A. PATRIOT ACT.** The parties shall comply with the USA Patriot Act, Pub.L.107-56 (the "Act"), and provide any information requested in connection with the Act or any similar legislation or regulation. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust, or other legal entity, Disbursing Agent asks for documentation to verify its formation and existence as a legal entity. Disbursing Agent may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

7. **WARRANTIES AND LIABILITIES; FORCE MAJEURE.** Accuracy and adequacy of Association's information are the responsibility of Association. Disbursing Agent shall have no liability (whether in contract or tort) to Trustee or Association for any action or inaction, taken or not taken, as the case may be, with respect to its performance under this Agreement except in instances of Disbursing Agent's willful misconduct, negligence, bad faith or breach of contract. Disbursing Agent may rely upon any instrument, not only as to its due execution, validity, and effectiveness, but also as to the truth and accuracy of any information contained therein which Disbursing Agent shall in good faith believe to be genuine and which instrument is in the form of a written direction from Trustee or Association or a court order. Disbursing Agent shall not be liable for non-performance or delay of performance hereunder should such non-performance or delay arise out of causes beyond its reasonable control, including but not limited to, acts of God or a public enemy, fire, electrical or machine failure, strike, lockout, governmental order or regulation, or any other cause, whether similar or dissimilar.

8. **SUSPENSION OF SERVICE AND TERMINATION.**

a. This Agreement shall remain in force until such time as Disbursing Agent has fulfilled all of its duties under this Agreement. Except as set out in Section 8.b, either party can terminate the contract without any cause with written confirmation and thirty (30) days' advance notice. Within thirty (30) days after termination of this Agreement, Disbursing Agent shall deliver to Trustee copies of all requested records and reports (other than Disbursing Agent's confidential records and reports) concerning this Agreement.

b. If either party is in default under any term hereof and such default is not cured within thirty (30) days after notification from the non-defaulting party in writing of such default, then the non-defaulting party may terminate this Agreement immediately. Trustee's obligation to pay all charges, which shall accrue up to and including said notification date, shall survive any termination hereof.

c. Upon termination of this Agreement for any reason whatsoever, all data files in the possession of Disbursing Agent shall be returned to Trustee in the form of a disk or other acceptable magnetic media; provided, however, that all amounts due and payable by Trustee pursuant to this Agreement shall have been paid prior to such return.

10. INDEMNIFICATION. Either party shall defend, indemnify, and hold harmless the other party, its affiliates, and its and their officers, directors, employees, successors, assigns (collectively the "Indemnitees") from and against any and all losses, claims, damages, liabilities, expenses (including attorneys' fees) arising directly or indirectly from any of the following:

a. Injury, illness, death or damage of or to any person or property relating to the services or the acts or omissions of the indemnifying party in connection with performance of this Agreement;

b. A party's or a subcontractor's breach of any material provision of the Agreement;

c. Any infringement or violation of any intellectual property right related to the performance of the services and/or use by either party of the other party's intellectual property; and

d. Defense of Claims. The indemnifying party must defend all suits brought upon all such losses and must pay all costs and expenses incidental to them, but, the Indemnitees shall have the right, at their option, to participate, at their own cost, in the defense of any suit, without relieving the indemnifying party of any of its obligations under the Agreement. Any settlement must be made only with the prior written consent of the Indemnitee.

11. LIMITATION OF LIABILITY. Because of the difficulty of ascertaining and measuring damages hereunder, it is agreed that, except as otherwise expressly provided herein, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES SUCH AS LOSS OF ANY PROFITS OR OTHER ECONOMIC LOSS IN CONNECTION WITH OR ARISING OUT OF THE SERVICES PROVIDED FOR IN THIS AGREEMENT. This Section shall supersede any Section of this Agreement which may be deemed inconsistent with it.

12. NOTICES. Any notification or written communication required by or contemplated under the terms of this Agreement shall be given or made upon the respective parties in writing by facsimile or overnight courier and shall be deemed as given, if by facsimile,

on the business day immediately following confirmed transmission, or if by courier, on the day it is delivered by such courier to the appropriate address set forth below:

If to Disbursing Agent:
Information Consulting Group
U.S. Bank National Association
225 Water Street
Jacksonville, Florida 32202
Attn: Ray Aaronian
Telephone: 904-358-5362
Facsimile: 904-_____
ray.aaronian@usbank.com

If to Trustee:
Central Bank & Trust Co., as Trustee of QSF Trust
300 West Vine Street
Lexington, Kentucky 40507
Attn: Doug Fritz, VP & TO
Telephone: 859-253-6247
Facsimile: 859-253-6244

13. **APPLICABLE LAW.** This Agreement shall be construed in accordance with the laws of the State of Kentucky.

14. **SEVERABILITY.** To the extent any provision of this Agreement is prohibited by (or deemed invalid under) applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

15. **ENTIRE AGREEMENT/ASSIGNABILITY.** The parties understand and acknowledge that this Agreement constitutes the entire Agreement between the parties with respect to the services to be provided hereunder and incorporates all undertakings and representations relied upon in reaching such Agreement. This Agreement shall not be modified, amended, assigned, abridged, or otherwise varied except in a writing signed by each of Disbursing Agent and Trustee.

16. **LIMITATION ON TRUSTEE'S LIABILITY.** Notwithstanding anything to the contrary herein Trustee executes and makes this Agreement only in its capacity as Trustee of the QSFT and incurs no personal liability hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day and year first hereinabove written.

“Disbursing Agent”

**U.S. Bank National Association, through its
Information Consulting Group**

By: _____

Its: _____

“Trustee”

**CENTRAL BANK & TRUST CO., as and
in its capacity as Trustee of the QSFT**

By: _____
Barry Hickey, Sr. VP and TO

EXHIBIT A

ENGAGEMENT INSTRUCTIONS

1. Trustee has established DDA Account No. 014790063093 (“DDA”) with U.S. Bank N.A. into which the Distribution Amount has been deposited.

2. Disbursing Agent shall distribute the Distribution Amount on a per capita basis to the approximately 198,682 Distribution Amount recipient Members of the Association, on or before the tenth (10th) business day following the date of this Agreement, subject however to further orders of the Court in which the Litigation is pending.

3. Disbursing Agent shall:

(a) Establish a database for the Distribution Amount recipients.

(b) Print each individual check and mail each individual check to each individual recipient.

(c) Reconcile the distribution of each individual distribution to each individual recipient.

(d) Utilize a case specific post office box for returning of checks by each individual recipient and correspondence from each individual recipient; and sweep the box each business day for correspondence from each individual recipient;

(d) Maintain a call center for a period of four (4) calendar weeks commencing on the third day following mailing of individual checks to the individual recipients, during regular business hours, to answer and address inquiries of each individual recipient, in accordance with a script and/or instructions from BOTH counsel for the Association and counsel for the Named Plaintiffs.

(e) Prepare and submit a final report to the Court in the Litigation, in form acceptable to BOTH counsel for the Association and counsel for the Named Plaintiffs, on all activities performed.

(f) Prepare Pre-check Selection Report of distributions authorized by the Association; and only after review and written approval by the Association of the Pre-check Selection Report shall Disbursing Agent prepare distributions to each individual recipient.

(g) Create an agreed upon (with Association) custom check layout for the distributions on 8.5" by 11" check stock laser printed with remittance information, which shall use high security check stock utilizing void pantographs, micro print signature lines and white watermarked safety paper, and have a "void after date" conspicuously printed on the face of the check, said date to be 120 days after issuance.

(h) Be responsible for account reconciliation of the DDA; print test checks to be processed by Central Bank & Trust Co, to ensure that MICR encoding on the checks meets Central Bank & Trust Co.'s specifications; provide a data file of the distributions to Central Bank & Trust Co. which can be utilized for purposes of Positive Pay to combat fraudulent activity; to ensure checks are cashed for only authorized payment amounts, prevent payment of altered checks and prevent multiple payments of issued check; QC the printing of the checks verifying overall print quality and critical data elements such as Payee name and address, payment amount, check number, account and routing number matching key data elements back to a preprinted check register.

(i) Insert and mail all disbursements in a security tinted #10 window envelope (the "Disbursement Package"); actively track all disbursement mailing activity by compiling a complete register, by each individual recipient of the mailing activity, which shall include the date mailed, check number, date cashed, returned mail date, re-mail date, and any other items requested by BOTH counsel for the Association and counsel for the Named Plaintiffs.

(j) Audit a sample of Disbursement Packages, ready for mailing, for accuracy (audited checks will be returned to the mail process following audit).

(k) Prior to distribution and in compliance with the U.S. Patriot Act, an Office of Foreign Assets Control ("OFAC") check will be made to verify that distributions are not being sent to individuals or entities prohibited from receiving funds.

(l) Implement a quality control process to ensure that the distribution agrees to the pre-distribution selection report.

(m) Retain in the DDA all distribution checks returned as undeliverable.

(n) Provide a report of all undeliverable checks.

(l) Include a 1099 tax reporting form along with the check in the mailing.

SCHEDULE I

FORM OF NON-PERSONALIZED DUPLEX LETTER

In re: Curtis Congleton, Jr., et al. v. Burley Tobacco Growers Cooperative Association, et al.,
Fayette County, Kentucky Circuit Court, Case No. 06-CI-00069 (the "Litigation")

Dear Member:

In December 2003, eight members of the Burley Tobacco Growers Cooperative Association, Inc. ("Association") brought suit against the Association in the referenced Litigation. In part, the Litigation involved claims asserted by those members against the Association regarding over 66 million pounds of burley tobacco pool stocks released by the Commodity Credit Corporation ("CCC") and the United States Department of Agriculture ("USDA") to the Association for disposal pursuant 7 U.S.C. § 519(a) and (b) of the Fair and Equitable Tobacco Reform Act ("FETRA") of 2004, 7 U.S.C. § 518 et seq. (the "FETRA" Tobacco), and the sales proceeds thereon held by the Association (the "Gross FETRA Tobacco Sales Proceeds"). The plaintiffs claimed that Congress intended for the FETRA Tobacco and sales proceeds to be immediately distributed to producer-members of the Association.

As provided for by the Court's Opinion and Judgment on "FETRA Tobacco" and Sales Proceeds Thereon, entered March 15, 2007, as modified by the Opinion and Order (1% Reserve Issue Under Reconsideration), entered April 24, 2007, as modified by the Opinion and Order (Debits and Credits), entered May 8, 2007, as modified by the Order Amending Opinion and Order (Debits and Credits), entered July 3, 2007 as modified by the Order entered November 30, 2007, and as modified by the Order entered December __, 2007, incorporated into the Agreed Final Judgment entered December __, 2007 (collectively the "FETRA Judgment") in the Litigation, the Court required the net sales proceeds of all FETRA Tobacco to date be distributed on a per capita basis to all members identified on the Association's 2002-2004 membership list. There are approximately 198,600 members identified on the 2002-2004 membership list.

Pursuant to the FETRA Judgment and the Final Judgment in the Litigation, enclosed is a check in the amount of \$ _____. The amount of this check was computed as follows:

The Court adjusted the Gross FETRA Tobacco Sales Proceeds for certain debits (including interest and investment income on the FETRA Tobacco Sales Proceeds, and other net revenue); certain credits (including property and income taxes paid by the Association on the FETRA Tobacco and Sales Proceeds, Phase II supplemental payments made by the Association, Infrastructure Program Payments, and a 1% reserve to be retained by the Association), and costs and plaintiffs' incentive payments and attorney's fees incurred in the Litigation, and the remaining amount was then divided by the approximate 198,000 recipient members for a total of \$ _____ per member.

Federal Income Tax Matters. Each Recipient should treat \$ _____ as his share of net proceeds from the FETRA Tobacco Sale and include that amount in gross income. Each Recipient's share of attorneys' fees and other costs is \$ _____ and should be deducted in arriving at taxable income. To comply with U.S. Treasury Department regulations we advise you that this statement is not intended to be used, and cannot be used, to avoid penalties under the Internal Revenue Code. The federal income tax consequences of the distribution of proceeds from the sale of FETRA Tobacco are not free from doubt. Each recipient is urged to consult his own tax advisor to determine how such proceeds should be taxed.

Additionally (i) there remains approximately 3,598,994 pounds of FETRA Tobacco which remains unsold, which the Court under the FETRA Judgment and Final Judgment in the Litigation has ordered sold, and upon such

ile, the net sales proceeds will be distributed be made to Association's members determined on the same basis set forth above; and (ii) the Association paid approximately \$36,100,000.00 in federal income taxes on the Gross FETRA Tobacco Sales Proceeds in fiscal years 2005-06, and under the FETRA Judgment and Final Judgment in the Litigation the Court has directed the Association to apply for a refund of those tax payments, and any refund obtained will be distributed, less attorneys fees, that a distribution be made to the Association's members determined on the same basis set forth above.

Questions concerning the above or the additionally enclosed notice from the Association may be directed to the Call Center, telephone ___-___-___ between the hours of (:00 a.m. to 4:00 p.m on weekdays until January ____, 2007

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