

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

The Lynn M. Kennis Trust U/A DTD
10/02/2002, by Lynn M. Kennis as Trustee,
and the Ronald J. Kennis Trust, by Ronald J.
Kennis and Dolores M. Kennis as Trustees,

Plaintiffs,

v.

First Eagle Investment Management, LLC,

Defendant.

C.A. No. 1:14-00585-MAK

STIPULATION AND [PROPOSED] ORDER OF DISMISSAL WITH PREJUDICE

WHEREAS, on May 7, 2014, plaintiffs The Lynn M. Kennis Trust U/A DTD 10/02/2002, by Lynn M. Kennis as Trustee, and the Ronald J. Kennis Trust, by Ronald J. Kennis and Dolores M. Kennis as Trustees (“Plaintiffs”) filed the Complaint in this action against defendant First Eagle Investment Management, LLC (“First Eagle” or “Defendant”) (Dkt. No. 1);

WHEREAS, Plaintiffs’ Complaint alleged that advisory fees First Eagle charged to the First Eagle Global Fund and the First Eagle Overseas Fund (the “Funds”) were excessive and violated section 36(b) of the Investment Company Act of 1940, 15 U.S.C. § 80a-35(b) (the “1940 Act”), and exceeded the advisory fee that First Eagle received as sub-adviser for an unaffiliated mutual fund (the “Sub-Advised Fund”);

WHEREAS, on October 8, 2015, accepting Plaintiffs’ allegations as true pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure, the Magistrate Judge issued a Report and

Recommendation recommending the denial of Defendant's motion to dismiss the Complaint (Dkt. No. 34);

WHEREAS, on December 9, 2015, accepting Plaintiffs' allegations as true pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure, the Court adopted the Magistrate Judge's Report and Recommendation and denied Defendant's motion to dismiss the Complaint (Dkt. No. 38);

WHEREAS, on January 8, 2016, Defendant filed its Answer to the Complaint denying Plaintiffs' central allegations and averring that the advisory fees paid by the Funds were not so disproportionately large that they could not have been negotiated at arm's-length and that the advisory services provided by First Eagle to the Funds were not comparable to the services it provided to the Sub-Advised Fund (Dkt. No. 40);

WHEREAS, on August 10, 2016, the Court so-ordered the parties' stipulation to strike the Plaintiffs' demand for a jury (Dkt. No. 63);

WHEREAS, on July 20, 2017, Plaintiffs filed a Suggestion of Death notifying the Court that plaintiff Ronald J. Kennis, Trustee of the Ronald J. Kennis Trust, passed away during the pendency of this action (Dkt. No. 75);

WHEREAS, on June 30, 2016, January 31, 2017, March 31, 2017, and July 7, 2017, Defendant produced more than 750,000 pages of documents in response to Plaintiffs' discovery requests, including materials provided to the Funds' Board of Directors (the "Board") in connection with the Board's annual fee-approval process pursuant to Section 15(c) of the 1940 Act in 2009, 2010, 2011, 2012, 2013, 2014 and 2015; internal documents relating to the profitability of the Funds, the cost allocation of First Eagle expenses to the Funds, economies of scale, and information about the Sub-Advised Fund; documents identifying the range of fees paid

by separate accounts and other First Eagle advisory clients for services; as well as internal e-mail relating to these and other issues (collectively, the “Produced Materials”); and

WHEREAS, Plaintiffs’ counsel, on behalf of Plaintiffs, in good faith, reviewed the Produced Materials.

NOW, THEREFORE, PLAINTIFFS AND DEFENDANT HEREBY STIPULATE AND AGREE, as follows:

1. Based on the review of the Produced Materials, Plaintiffs and Plaintiffs’ Counsel have concluded that it is appropriate to dismiss the action with prejudice.

2. Pursuant to Rule 41(a)(1)(A)(ii) of the Federal Rules of Civil Procedure, Plaintiffs and First Eagle hereby stipulate to the dismissal with prejudice of all claims asserted in this action. Plaintiffs and First Eagle further stipulate that this dismissal is not the result of a settlement or a compromise or the payment of any consideration to Plaintiffs.

3. Each side will bear its own costs and attorneys’ fees.

Respectfully submitted,

Dated: August 9, 2017

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Dated: August 9, 2017

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IT IS SO ORDERED.

Dated: August __, 2017

Hon. Mark A. Kearney
United States District Court Judge