



Report of the Independent Fiduciary
In *Jessop v. Larsen, et al.*

July 23, 2018

On December 21, 2016, pursuant to the Preliminary Approval Order, the Court appointed Fiduciary Counselors Inc. (“FCI”) as Independent Fiduciary in *Jessop v. Larsen, et al.* U.S. District Court C.D. Utah Civil No. 2:14-cv-00916- BSJ. On May 12, 2017, pursuant to the Final Order and Final Judgement in *Jessop v. Larsen, et al.* the Court approved the Settlement.

Following our appointment as Independent Fiduciary, we have worked diligently to fulfill our duties as outlined in Section 8.2 of the Settlement Agreement. We negotiated a Trust Agreement with Huntington National Bank as successor trustee for the Mona Vie, Inc. ESOP (the “ESOP”) and deposited the Residual Assets sent from Bankers Trust Company into the newly established ESOP account. Following the disbursement of court-approved fees from the qualified settlement fund, we coordinated with KCC LLC (“KCC”) to transfer the remaining settlement funds into the ESOP trust, where they were held separately from the Residual Assets. See subsections i – iii, v of Section 8.2 of the Settlement Agreement.

Attached is an accounting of all the funds of the ESOP. Just over \$101,000 in interest has been earned on the funds available for distribution, and the total administration and settlement fees were \$27,420 less than estimated in papers filed with the court in November 2016. On **July 31, 2018** we will begin distributing a total of \$16,611,786.90 in settlement funds and \$159,631.89 in Residual Assets to the 458 class participants.

We received data from the former recordkeeper of the ESOP, Principal Financial Group, and we worked closely with KCC to determine the method of allocation and procedures for distribution, with the final decisions being ours. The allocation of the settlement proceeds is based on the number of Mona Vie Inc. stock shares held in participants’ ESOP accounts on December 31, 2014. The Residual Assets were allocated based on both the amount of cash and the number of Mona Vie Inc. stock shares held in participants’ ESOP accounts on December 31, 2014, with the stock balances used to allocate the proceeds of the ESOP’s sale of stock after December 31, 2014. No *de minimis* was applied to the allocations. See subsections iv, vi of Section 8.2.

Notices and Election forms were mailed by KCC to class participants on February 16, 2018. One appeal was received on March 29, 2018, which was based on a misunderstanding of an old benefit statement. We responded to the appeal on April 10, 2018. With respect to Notices that were returned as undeliverable, KCC mailed a second set of Notices on April 20, 2018 to participants for whom new addresses were found. We allowed another appeal period following this second mailing. See subsection vii of Section 8.2.

After the end of the second appeal period, we converted the settlement funds and Residual Assets to cash and instructed KCC to run a second allocation based on the increased amount of money. KCC opened a distribution account in the name of the ESOP and funds have been transferred to this account. On July 31, 2018, the first round of checks totaling \$15,789,602.30 will be mailed to 398 participants who have submitted complete election forms. This represents 94% of the total assets of the ESOP. See subsections iv and vi of Section 8.2.

On our instructions, KCC has completed in-depth searches for the participants who have not returned election forms and is currently in the process of attempting to contact them by mail, email and phone calls. One final round of distributions will be made later this year. Allocations of any unresponsive participants will be rolled over to a tax-qualified IRA in their names at Retirement Clearinghouse.

As a part of its administrative duties, KCC will remit withheld federal and state taxes to the appropriate agencies and issue Forms 1099-R to the participants.

Pursuant to our authority under the Settlement Agreement, we have amended the ESOP plan document to convert it to a profit-sharing plan, because it no longer holds employer stock, and to provide that all distributions will be as a single cash payment. We have also filed with the Department of Labor the previously unfiled Forms 5500 for the plan years 2015 and 2016, and we will also prepare and file the Forms 5500 for the 2017 and 2018 plan years. See subsection viii of Section 8.2.

This report will be posted by KCC on the settlement website at MonaVieESOPSettlement.com.

MONA VIE, INC. ESOP TRUST

Residual Assets

158,450.89	Deposit from Bankers Trust Co.
<u>1,181.00</u>	Interest earned
<u><u>159,631.89</u></u>	TOTAL Residual Assets for Distribution

Settlement Funds

5,950,732.00	Received from Bankers Trust Co.
2,012,327.00	Received from Bankers Trust Co.
1,550,000.00	Received from Starstone National Insurance Co.
750,000.00	Received from Liberty LLC
750,000.00	Received from Dallen Larsen
750,000.00	Received from Henry D. Marsh
5,000,000.00	Received from Citibank
3,036,940.73	Received from Zurich American Insurance
<u>100,195.21</u>	Interest earned
19,900,194.94	Total settlement funds and interest
(3,000,000.00)	Attorney fees and costs
(150,000.00)	Independent fiduciary fee
(10,000.00)	Case contribution award
(128,408.04)	Administration and settlement fees*
(3,288,408.04)	Total Fees
<u><u>16,611,786.90</u></u>	TOTAL Settlement Funds for Distribution

*\$27,420 less than KCC estimate attached to Declaration of Gregory Y. Porter, filed with the Court 11/15/2016