

**COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
DIVISION II**

CIVIL ACTION Nos. 20-CI-00590 and 24-CI-00354

COMMONWEALTH OF KENTUCKY

PLAINTIFF

V.

KKR & CO. INC.; et al.

DEFENDANTS

ORDER

This matter is before the Court upon the Commonwealth of Kentucky, the Kentucky Public Pensions Authority, the County Employees Retirement System, the Kentucky Retirement System, the Boards of Trustees, PAAMCO Prisma, LLC, Jane Buchan, Prisma Capital Partners LP, KKR Group Co., Inc., Henry R. Kravis, George R. Roberts, Blackstone, Inc., Blackstone Alternative Asset Management L.P., Steven Schwarzman, and J. Tomilson Hill's *Joint Motion to Approve Settlement Agreement, to Sever Claims, and to Enter Approval Order*. This matter was called before the Court on Wednesday, March 26, 2025.

The Commonwealth, the above listed defendants, and the Kentucky Public Pensions Authority have asked the Court to review and sign an order approving, in full, a settlement reached between the above-named parties. The parties ask the Court to find:

- (1) The Settlement Agreement is fair, reasonable, and adequate;
- (2) The Settlement Agreement is in the best interest of the Commonwealth, the KPPA Entity, and all plans, trusts, systems, pension funds, and tiers whose interests any

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of the KPPA Entity administers and or/oversees, and for whose benefit the Commonwealth is suing;

- (3) The Settlement Agreement is the result of good faith, arm's-length negotiations between the Settling Parties, find that the parties were all represented fairly and adequately by experienced counsel, and that the Commonwealth, through the Attorney General, has adequately represented the interests of its departments, commissions, agencies, political subdivisions, citizens, taxpayers, pension plans and trusts, and pension plan members and beneficiaries of any and all tiers and classifications for whose benefit it is suing in this case;
- (4) The KPPA Entity has exercised its business judgment in compliance with its fiduciary duties, has the authority to determine and has independently concluded that this Settlement Agreement, including the global releases of the released claims therein for the benefit of itself and its members, is in the best interests of the KPPA Entity and all plans, trusts, systems, pension funds, and tiers whose interests any of the KPPA Entity administers and/or oversees and that the KPPA Entity's independent business judgment in this regard is entitled to deference;
- (5) Direct the Settling Parties to consummate the Settlement Agreement in accordance with its terms; and
- (6) Bar and estop any person or entity, including the plaintiffs in the pending "*Taylor Actions*¹," from asserting, instituting, maintaining, or participating in any such released claims (as defined in the Settlement Agreement) that seek collective, plan-

¹ The Commonwealth is not a party in either "*Taylor Action*:" *Taylor v. KKR & Co.*, Franklin Circuit Court Civil Action No. 21-CI-00645 and *Taylor v. KKR & Co. Inc.*, 3:21-cv-00029 (E.D. Ky.).

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wide, trust-wide, system-wide, pension-fund-wide, or tier-wide relief on behalf of or for the KPPA Entity, their predecessors, and/or the plans, trusts, systems, pension funds, or tiers administered or overseen by them or that allege individual injuries that are derivative of alleged injuries to the KPPA Entity, their predecessors, and/or the plans, trusts, systems, pension funds, or tiers administered or overseen by them in any forum.

In sum, the proposed order asks the Court to make findings that are not possible or appropriate for the Court to make. The Court has reviewed the parties' pleadings, the Settlement Agreement, and the Proposed Final Order Approving Settlement Agreement, and the Court is left without a sufficient reason as to why the Court's approval is necessary for this settlement or why the Court is being asked to make findings that the Court is without sufficient knowledge to make.

Accordingly, the Court, as it does with other cases before it, welcomes the parties to settle the matter as they best see fit, however, the Court declines to bless an agreement and enter an order that asks the Court to make findings that the Court believes to be outside of its role, and regardless, is without sufficient knowledge to make.

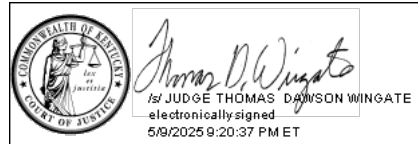
However, the Court does find and order, after review of the Settlement Agreement the monies contained in the Escrow Account and the Daniel Boone Fund Reserve (approx. \$145,000,000) are **not** to be considered "recovered funds" and/or a portion of the "settlement recovery" for the purpose of determining attorneys' fees. Those funds have always belonged to the KPPA Entity and have been seized by another court. Accordingly, the Court orders that if the parties choose to enter into the Settlement Agreement, the only

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“settlement recovery” the Commonwealth may consider when assessing attorneys’ fees is limited to the \$82,500,000 portion of the settlement.

The parties shall keep the Court apprised of any decision to settle and the terms of the settlement.

SO ORDERED, this 9th day of May, 2025.



THOMAS D. WINGATE
Judge, Franklin Circuit Court

Notice: All parties

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