

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice, and Truist Bank (collectively, “the Parties”), through their authorized representatives.

RECITALS

A. SunTrust Bank (“SunTrust”) was a federally-insured, Georgia state-chartered bank with its principal place of business in Atlanta, Georgia. In December 2019, SunTrust was acquired by Branch Banking and Trust Company, and the combined entity was renamed Truist Bank (“Truist”). Truist is a federally-insured, North Carolina state-chartered bank with its principal place of business in Charlotte, North Carolina.

B. This settlement involves certain trust accounts that were referred to SunTrust by a New Jersey company doing business as “The Halpern Group.” The Halpern Group served as a “structured settlement facilitator” in matters involving individuals who received settlement awards in personal injury litigation and referred those individuals to SunTrust. These individuals would then establish trust accounts at SunTrust, for which SunTrust served as the administrator and trustee. The Halpern Group collected a fee from the beneficiaries’ settlement, usually around 4% of the funds deposited into the accounts, for its role as facilitator. SunTrust also collected fees from trusts established for beneficiaries for the bank’s agreement to serve as trustee.

The United States contends that it has certain civil claims against Truist arising from SunTrust’s administration of a subset of trust accounts, known as the “Doe Run Accounts,” that The Halpern Group referred to SunTrust in or around December 2011. These accounts resulted from the settlement of personal injury cases involving a lead

smelter near Herculaneum, Missouri. The plaintiffs in those cases claimed various health and cognitive issues from lead poisoning, and the Doe Run Accounts were created, in part, to help preserve their settlement awards by protecting against unwise disbursements that would prematurely dissipate their settlement awards.

The United States contends that, from December 2011 through December 2015, The Halpern Group sought and SunTrust approved certain disbursements from the Doe Run Accounts that the beneficiaries had requested, but which were not in their best interests or consistent with the terms of the trusts or the purposes for which the Doe Run Accounts were established, including disbursements for the beneficiaries' family members. The United States contends that, as trustee and administrator of the accounts, SunTrust had a duty to deny such disbursements but did not. The conduct of SunTrust set forth in this Paragraph B is referred to below as the "Covered Conduct."

C. This Agreement is neither an admission of liability by Truist nor a concession by the United States that its claims are not well founded. Truist denies the United States' allegations in Paragraph B.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Truist shall pay to the United States \$9,125,000 ("Settlement Amount"), and interest on the Settlement Amount of 4% per annum from September 3, 2024, by electronic funds transfer pursuant to written instructions to be provided by the United States

Attorney's Office for the Northern District of Georgia no later than 15 days after the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Settlement Amount, plus interest due under Paragraph 1, the United States releases Truist, together with its current and former parent corporations, direct and indirect subsidiaries, brother or sister corporations, divisions, current or former corporate owners, and the corporate successors and assigns of any of them, from any civil monetary claim the United States has for the Covered Conduct under Section 951 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 12 U.S.C. § 1833a.

3. Notwithstanding the release given in Paragraph 2 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, or any administrative remedy, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;

- f. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct; and
- g. Any liability of individuals.

4. Truist waives and shall not assert any defenses Truist may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

5. Truist fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Truist has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

6. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of Truist, and its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil or criminal investigation(s) of the matters covered by this Agreement;

- (3) Truist's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil or criminal investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement; and
- (5) the payment Truist makes to the United States pursuant to this Agreement,

are unallowable costs for government contracting purposes (hereinafter referred to as "Unallowable Costs").

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by Truist, and Truist shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, Truist shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Truist or any of its subsidiaries or affiliates from the United States. Truist agrees that the United States, at a minimum, shall be entitled to recoup from Truist any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine Truist's books and records and to disagree with any calculations submitted by Truist or any of its subsidiaries or affiliates regarding any Unallowable Costs

included in payments previously sought by Truist, or the effect of any such Unallowable Costs on the amount of such payments.

7. This Agreement is intended to be for the benefit of the Parties only.

8. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

9. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

10. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the Northern District of Georgia. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

11. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

12. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

13. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.


14. This Agreement is binding on Truist's successors, transferees, heirs, and assigns.

15. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

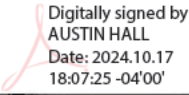
16. This Agreement is effective on the date of signature of the last signatory to the Agreement (“Effective Date of this Agreement”). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 10/18/2024

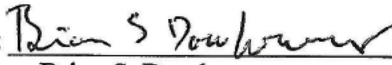
BY: 
David W. Tyler
Senior Trial Counsel
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____


BY: AUSTIN HALL 
Austin M. Hall
Assistant United States Attorney
United States Attorney's Office
Northern District of Georgia

TRUIST BANK

DATED: 10/15/2024

BY: 
Brian S. Dowhower
Executive Vice President
Truist Bank

DATED: 10-17-2024

BY: 
Paul B. Murphy
Matthew L. Biben
Emily R. Apte
Counsel for Truist Bank