

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

AXIOM INVESTMENT ADVISORS, LLC,
by and through its Trustee, Gildor
Management LLC,

Plaintiff,

v.

BARCLAYS BANK PLC and BARCLAYS
CAPITAL INC.,

Defendants.

Case No. 15-CV-09323 (LGS)

**DECLARATION OF CHRISTOPHER M. BURKE IN SUPPORT OF PLAINTIFF'S
MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT
AND PLAN OF DISTRIBUTION**

Pursuant to 28 U.S.C. §1746, I, Christopher M. Burke, declare under penalty of perjury that the following is true to the best of my knowledge and belief:

1. I am a partner in the law firm of Scott+Scott, Attorneys at Law, LLP and am one of Class Counsel for Plaintiff. I make this declaration in support of Plaintiff's Motion for Final Approval of Class Action Settlement and Plan of Distribution.

2. The matters set forth herein are within my personal knowledge, and, if called upon and sworn as a witness, I could competently testify regarding them.

3. Attached hereto as Exhibit 1 is a true and correct copy of the proposed Plan of Distribution, which Plaintiff submits to the Court for final approval.

4. Attached hereto as Exhibit 2 is a true and correct copy of a redline comparing the Plan of Distribution submitted hereto as Exhibit 1 to the preliminarily-approved version located in the record at ECF No. 97.

I certify under penalty of perjury under the laws of the United States of America that the forgoing is true and correct. Executed on February 28, 2017.

s/ Christopher M. Burke
CHRISTOPHER M. BURKE
SCOTT+SCOTT, ATTORNEYS AT LAW, LLP
707 Broadway, Suite 1000
San Diego, CA 92101
Telephone: 619-233-4565

CERTIFICATE OF SERVICE

I hereby certify that on February 28, 2017, I caused the foregoing to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the email addresses denoted on the Electronic Mail Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

/s/ Christopher M. Burke
Christopher M. Burke
SCOTT+SCOTT, ATTORNEYS AT LAW, LLP
707 Broadway, Suite 1000
San Diego, CA 92101
Telephone: 619-233-4565
Facsimile: 619-233-0508
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EXHIBIT 1

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

<p>AXIOM INVESTMENT ADVISORS, LLC, by and through its Trustee, Gildor Management LLC, Plaintiff,</p> <p>v.</p> <p>BARCLAYS BANK PLC and BARCLAYS CAPITAL INC., Defendants.</p>	<p>Case No. 15-CV-09323 (LGS)</p>
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PLAN OF DISTRIBUTION

1. The Net Settlement Fund (that is, the \$50,000,000 Settlement Fund including any interest earned and net of any costs associated with notifying the Settlement Class, claims administration, and Court-approved attorneys' fees, litigation costs, and a service award to Class Plaintiff) will be distributed to class members who submit valid claims ("Authorized Claimants"). This process will occur in three steps: (1) identifying the trades and trade instructions qualifying for claims under the Settlement Agreement ("Covered Transactions") for each class member; (2) for each Covered Transaction, estimating the claim value; and (3) calculating the *pro rata* share of an individual Authorized Claimant's Settlement proceeds in relation to the total Settlement proceeds for all Authorized Claimants. Further information about each of these steps is provided below.

I. Identifying Covered Transactions

2. In accordance with the terms of the Settlement, a trade or trade instruction must qualify for Settlement proceeds. To qualify as a Covered Transaction under the Settlement: (i) a class member must have submitted the trade or trade instruction for an FX Instrument to Barclays over BARX (whether submitted on BARX or via an electronic communications network ("ECN") or any other connection to BARX) to which Barclays applied Last Look, or as to which Barclays engaged in any other conduct that is the subject of a Released Claim; and (ii) that class member must be: (1) domiciled either in the United States; or (2) domiciled outside the United States and had such trade or trade instruction routed over a Barclays server in the United States. An FX Instrument means: an FX transaction in any deliverable or non-deliverable currency, including but not limited to FX spot, outright forwards, futures, non-deliverable forwards, swaps, options, and strategies, and any other instrument the trading of which is related in any way to FX rates.

3. To identify Covered Transactions, Class Counsel obtained available data from Barclays consisting of trades or trade instructions for FX Instruments made by class members over BARX (whether submitted on BARX or via an ECN or any other connection to BARX). The Settlement Class Period is June 1, 2008 through April 21, 2016. Transaction data were not available for the following dates: June 1, 2008 – December 31, 2008 (rejected and accepted trades); January 1, 2009 – June 19, 2009 (rejected trades); July 5, 2009 (rejected trades); July 19, 2009 (rejected trades); November 8, 2009 to November 11, 2009 (rejected trades); January 1, 2010 (rejected and accepted trades); April 25, 2010 – April 28, 2010 (rejected trades); March 30, 2014 (rejected trades); January 1, 2016 (rejected and accepted trades); March 20, 2016 – April 21, 2016 (rejected trades). Transaction data were not available for these dates because the data was not recoverable or usable. These missing data periods were disclosed to class members in the Mail Notice, on the Settlement Website, and in the online claims portal.

4. Class Counsel's consultants assembled, organized, and analyzed the data in order to identify Covered Transactions for each class member as found in the Barclays data.

5. Trades or trade instructions that do not meet certain legal requirements do not qualify for claims under the Settlement. These records were removed from the set of Covered Transactions. Unreliable records were also removed from the set of Covered Transactions. The following are examples that would not qualify as Covered Transactions:

- a. Trades or trade instructions that fall outside the Class Period of June 1, 2008 through April 21, 2016.
- b. Duplicate trades or trade instructions found in the data.

c. Trades or trade instructions that do not have a sufficient connection to the United States to qualify under the Settlement. Identifying such records involved, among others, the following steps:

- i. All trades and trade instructions involving class members domiciled in the United States or its territories were treated as Covered Transactions.
- ii. All trade or trade instructions between class members and Barclays that were routed over a Barclays server in the United States were treated as Covered Transactions.
- iii. Trades or trade instructions between a class member domiciled outside of the United States and its territories and routed over a Barclays server other than one in the United States were not treated as Covered Transactions.

6. All qualifying Covered Transactions were grouped by class member in order to make each class member's Covered Transactions available to them on the online claims portal maintained by the Claims Administrator. The data fields made available to class members included the following fields, if they were available:

- a. Class member name
- b. Time (GMT) (or time range where specific time was not available) the class member submitted the trade or trade instruction
- c. Currency pair
- d. Buy or sell
- e. Buy amount or sell amount
- f. Currency of the amount traded

- g. Amount traded in GBP notional (where necessary, local currency amounts were converted into GBP)
- h. Status (accepted or rejected)
- i. Market mid-price at submission
- j. Market mid-price at rejection (for rejected trades)
- k. Hold period
- l. Trigger type (for stop loss trades)
- m. Price level (for stop loss trades)
- n. Trigger price (for stop loss trades)
- o. Fill price (for stop loss trades)
- p. Calculated claim value in GBP (before prorating)

II. Calculating Claim Value on Covered Transactions

7. Pursuant to the formulas described in this section II, Class Counsel's consultants computed the claim value applicable to each Covered Transaction.

8. **Rejected trades:** For rejected trades, claim value was calculated based on the change in the market mid-price between: (i) the time at which the trade or trade instruction was submitted to Barclays; and (ii) the time at which Barclays submitted a response to the trade or trade instruction indicating rejection.

a. For Covered Transactions for which the detailed data is available, the claim value was calculated on a trade-by-trade basis by the following formula:

i. For a trade or trade instruction where the class member attempts to buy:

$$CV = TN \times \frac{(RP - SP)}{RP}$$

ii. For a trade or trade instruction where the class member attempts to sell:

$$CV = TN \times \frac{(SP - RP)}{RP}$$

Where:

CV is the claim value in pounds sterling;

TN is the trade notional in pounds sterling;

SP is the market price at the time at which the trade or trade instruction was submitted to Barclays; and

RP is the market price at the time at which Barclays submitted a response to the trade or trade instruction indicating rejection.

- b. For Covered Transactions for which detailed data was not available, the claim value was calculated using a model constructed from the set of Covered Transactions described in paragraph 8(a), *supra*. The model extrapolated claim values for Covered Transactions for which detailed data was not available by calculating weighted average claim values of the set of Covered Transactions described in paragraph 8(a), *supra*, by currency pair,¹ to determine an estimated

¹ There were 35 exotic currency pairs for which detailed transaction data was not available; therefore, there were no transactions covered by paragraph 8(a) from which to build a model specific to that currency pair. Accordingly, for these currency pairs, the weighted average claim value used was from across all non-G10 currency pairs. This affected 602 of the nearly 80 million lines of data in the Covered Transactions database. The 35 affected exotic pairs are: (1) AUDIDR (Australian Dollar to Indonesian Rupiah); (2) CADHUF (Canadian Dollar to Hungarian Forint); (3) EURBRL (Euro to Brazilian Real); (4) EURGHS (Euro to Ghanaian Cedi); (5) EURKES (Euro to Kenyan Shilling); (6) EURMAD (Euro to Moroccan Dirham); (7) EURMUR (Euro to Mauritian Rupee); (8) GBPKES (Sterling to Kenyan Shilling); (9) GBPTHB (Sterling to Thai Baht); (10) ILSZAR (Israeli Shekel to South African Rand); (11) INRJYPY (Indian Rupee to Japanese Yen); (12) JPYKRW (Japanese Yen to South Korean Won); (13) MXNCZK (Mexican Peso to Czech Koruna); (14) MXNHUF (Mexican Peso to Hungarian Forint); (15) SEKCZK (Swedish Krona to Czech Koruna); (16) SEKRUB (Swedish Krona to Russian Ruble); (17) TRYCZK (Turkish Lira to Czech Koruna); (18); TRYHUF (Turkish Lira to Hungarian Forint); (19) USDBGN (U.S. Dollar to Bulgarian Lev); (20) USDBRL (U.S. Dollar to Brazilian Real); (21) USDCLP (U.S. Dollar to Chilean Peso); (22) USDCOP (U.S. Dollar to Colombian Peso); (23) USDHRK (U.S. Dollar to Croatian Kuna); (24) USDIDR (U.S. Dollar to Indonesian Rupiah); (25) USDKRW (U.S. Dollar to South Korean

claim value per unit of rejected volume. The model was then applied to the Covered Transactions for which the data fields necessary to apply the formula described above in paragraph 8(a), *supra*, were not available.

9. **Accepted Trades:** For accepted trades, claim value was calculated based on the volatility of the currency pair traded and the delay in trade acceptance, using an option pricing model as follows:

- a. For Covered Transactions for which the detailed data is available, the claim value was calculated on a trade-by-trade basis using the following formula:

$$CV = TN \times [N(d_1) - N(d_2)],$$

Where:

$$d_1 = \frac{1}{V \times \sqrt{HP}} \left[\ln \left(\frac{1}{1 + PT} \right) + \frac{V^2}{2} \times HP \right]$$

$$d_2 = d_1 - V \times \sqrt{HP}$$

and: *CV* is the claim value in pounds sterling;

TN is the trade notional in pounds sterling;

PT is the price tolerance threshold, as a fraction, that Barclays applied to this trade or trade instruction;

HP is the hold period in seconds that Barclays applied to this trade or trade instruction;

V is the currency pair volatility;

$\ln(x)$ is the natural logarithm function; and

Won); (26) USDLTL (U.S. Dollar to Lithuanian Litas); (27) USDMAD (U.S. Dollar to Moroccan Dirham); (28) USDMUR (U.S. Dollar to Mauritian Rupee); (29) USDMYR (U.S. Dollar to Malaysian Ringgit); (30) USDPHP (U.S. Dollar to Philippine Peso); (31) USDTWD (U.S. Dollar to Taiwanese Dollar); (32) USDUGX (U.S. Dollar to Ugandan Shilling); (33) ZARCZK (South African Rand to Czech Koruna); (34) ZARNOK (South African Rand to Norwegian Krone); and (35) ZARSEK (South African Rand to Swedish Krona).

$N(d)$ is the standard normal cumulative distribution function.

This formula is based on the well-established Black-Scholes option pricing model. Fischer Black and Myron Scholes, *The Pricing of Options and Corporate Liabilities*, JOURNAL OF POLITICAL ECONOMY, Vol. 81, No. 3: 637-654 (May-June 1973). The currency pair volatility (V) used in this formula is the standard deviation of market returns in the currency pair being traded, over a one second interval. These market returns are estimated using historical mid-prices for the currency pair from the interbank spot FX market.

- b. For Covered Transactions for which detailed data was not available, the claim value was calculated using a model constructed from the set of Covered Transactions described in paragraph 9(a), *supra*. The model extrapolated claim value for Covered Transactions for which detailed data was not available by calculating weighted average claim values of the set of Covered Transactions described in paragraph 9(a), *supra*, by currency pair, to determine an estimated claim value per unit of accepted volume. The model was then applied to the Covered Transactions for which the data fields necessary to apply the formula described above in paragraph 9(a), *supra*, were not available.

10. **Stop Loss Trades:** For stop loss trades, claim value was calculated based on the difference between: (i) the Barclays price available to the claimant at the time the stop loss order was triggered, and (ii) the price at which the stop loss order was executed.

- a. For Covered Transactions for which the detailed data was available, claim value was calculated on a trade-by-trade basis by the following formula:
 - i. For a trade where the class member buys:

$$CV = TN \times \frac{(EP - TP)}{EP}$$

ii. For a trade where the class member sells:

$$CV = TN \times \frac{(TP - EP)}{EP}$$

Where:

CV is the claim value in pound sterling;

TN is the trade notional in pound sterling;

TP is the Barclays price available to the claimant at the time at which the stop loss level was triggered; and

EP is the price at which the stop loss order is executed.

- b. For Covered Transactions for which detailed data was not available, claim value was calculated using a model constructed from the set of Covered Transactions described in 10(a), *supra*, by hold period category, to determine an estimated claim value per unit of volume. There are two hold period categories: (i) short, which includes transactions with a hold period less than or equal to 1900 milliseconds; and (ii) long, which includes all other transactions. The two hold period categories (short and long) represent distinct distributions of claim values per unit volume, as the short hold period includes trades where the class member received the price immediately after the stop loss order's price level was triggered. The model was then applied to the Covered Transactions for which the data fields necessary to apply the formula described in 10(a), *supra*, were not available.

III. Calculation of Each Claimant's *Pro Rata* Share of Settlement Proceeds

11. Each class member may submit a claim for its share of the Net Settlement Fund. Each class member will be able to review the available Covered Transactions that have been

identified as applicable to it based on the processes outlined above. Class members will also have the opportunity to submit additional transactions and information for consideration in the claims administration process. If class members submit additional transactions for consideration, the Claims Administrator will evaluate the additional transactions to determine if they qualify for claiming under the Settlement Agreement. If the transactions do not qualify, the class member will be notified, and if the class member disagrees with the determination, the dispute will be presented to the Court for resolution.

12. Subsequent to the deadline to submit claims, the Claims Administrator will sum the total estimated claim values, as described above, across each and every Authorized Claimant. This amount will represent the total estimated claim value of all Authorized Claimants.

13. The Claims Administrator will then compute each individual Authorized Claimant's ratio. This is the ratio of the Authorized Claimant's individual estimated claim value to the total estimated claim value of all Authorized Claimants.

14. Finally, the Claims Administrator will compute the individual Authorized Claimant's *pro rata* share of the Settlement by multiplying the individual Authorized Claimant's ratio by the Net Settlement Fund.

15. If and when the Settlement and the Proposed Plan of Distribution are granted final approval by the Court, after all claims have been submitted, reviewed, and processed, and upon entry of an order authorizing distribution of the Net Settlement Fund to Authorized Claimants, payment of each Authorized Claimant's *pro rata* share of the Net Settlement Fund will be made by check or wire transfer as designated by the Authorized Claimant.

EXHIBIT 2

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

<p>AXIOM INVESTMENT ADVISORS, LLC, by and through its Trustee, Gildor Management LLC, Plaintiff,</p> <p>v.</p> <p>BARCLAYS BANK PLC and BARCLAYS CAPITAL INC., Defendants.</p>	<p>Case No. 15-CV-09323 (LGS)</p> <p>EXHIBIT NO. 1</p>
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PLAN OF DISTRIBUTION

1. The Net Settlement Fund (that is, the \$50,000,000 Settlement Fund including any interest earned and net of any costs associated with notifying the Settlement Class, claims administration, and Court-approved attorneys' fees, litigation costs, and a service award to Class Plaintiff) will be distributed to class members who submit valid claims ("Authorized Claimants"). This process will occur in three steps: (1) identifying the trades and trade instructions qualifying for claims under the Settlement Agreement ("Covered Transactions") for each class member; (2) for each Covered Transaction, estimating the claim value; and (3) calculating the *pro rata* share of an individual Authorized Claimant's Settlement proceeds in relation to the total Settlement proceeds for all Authorized Claimants. Further information about each of these steps is provided below.

I. Identifying Covered Transactions

2. In accordance with the terms of the Settlement, a trade or trade instruction must qualify for Settlement proceeds. To qualify as a Covered Transaction under the Settlement: (i) a class member must have submitted the trade or trade instruction for an FX Instrument to Barclays over BARX (whether submitted on BARX or via an electronic communications network ("ECN") or any other connection to BARX) to which Barclays applied Last Look, or as to which Barclays engaged in any other conduct that is the subject of a Released Claim; and (ii) that class member must be: (1) domiciled either in the United States; or (2) domiciled outside the United States and had such trade or trade instruction routed over a Barclays server in the United States. An FX Instrument means: an FX transaction in any deliverable or non-deliverable currency, including but not limited to FX spot, outright forwards, futures, non-deliverable forwards, swaps, options, and strategies, and any other instrument the trading of which is related in any way to FX rates.

3. To identify Covered Transactions, Class Counsel ~~will obtain~~obtained available data from Barclays consisting of trades or trade instructions for FX Instruments made by class members over BARX (whether submitted on BARX or via an ECN or any other connection to ~~BARX~~) ~~for the Class Period of June 1, 2008 through April 21, 2016. If there are any periods for which data are not available from Barclays, those periods will be described on the Settlement Website).~~ The Settlement Class Period is June 1, 2008 through April 21, 2016. Transaction data were not available for the following dates: June 1, 2008 – December 31, 2008 (rejected and accepted trades); January 1, 2009 – June 19, 2009 (rejected trades); July 5, 2009 (rejected trades); July 19, 2009 (rejected trades); November 8, 2009 to November 11, 2009 (rejected trades); January 1, 2010 (rejected and accepted trades); April 25, 2010 – April 28, 2010 (rejected trades); March 30, 2014 (rejected trades); January 1, 2016 (rejected and accepted trades); March 20, 2016 – April 21, 2016 (rejected trades). Transaction data were not available for these dates because the data was not recoverable or usable. These missing data periods were disclosed to class members in the Mail Notice, on the Settlement Website, and in the online claims portal.

4. Class Counsel's consultants ~~will assemble, organize~~assembled, organized, and ~~analyze~~analyzed the data in order to identify Covered Transactions for each class member as found in the Barclays data.

5. Trades or trade instructions that do not meet certain legal requirements do not qualify for claims under the Settlement. These records ~~will be~~were removed from the set of Covered Transactions. Unreliable records were also removed from the set of Covered Transactions. The following are examples that would not qualify as Covered Transactions:

- a. Trades or trade instructions that fall outside the Class Period of June 1, 2008 through April 21, 2016.

- b. Duplicate trades or trade instructions found in the data.
- c. Trades or trade instructions that do not have a sufficient connection to the United

States to qualify under the Settlement. Identifying such records ~~will involve~~involved, among others, the following steps:

- i. ~~Using information provided by Barclays, the domicile of class members will be determined.~~—All trades and trade instructions involving class members domiciled in the United States or its territories ~~will be~~were treated as Covered Transactions.
- ii. ~~Using information provided by Barclays, the location of the Barclays server to which the trade or trade instruction was routed will be determined.~~—All trade or trade instructions between class members and Barclays that were routed over a Barclays server in the United States ~~will be~~were treated as Covered Transactions.
- iii. Trades or trade instructions between a class member domiciled outside of the United States and its territories and routed over a Barclays server other than one in the United States ~~will be~~were not ~~be~~ treated as Covered Transactions.

6. All qualifying Covered Transactions ~~will be~~were grouped by class member in order to make each class member's Covered Transactions available to them on ~~a secure~~the online claims portal maintained by the Claims Administrator ~~and will include at least.~~ The data fields made available to class members included the following ~~data~~ fields, if ~~they were~~ available:

- a. Class member name

- b. Time (GMT) (or time range where specific time was not available) the class member submitted the trade or trade instruction
- c. Currency pair
- d. Buy or sell
- e. Buy amount or sell amount
- f. Currency of the amount traded
- f.g. Amount traded in GBP notional (where necessary, local currency amounts were converted into GBP)
- g.h. Status (accepted or rejected)
- h.i. Market mid-price at submission
- i.j. Market mid-price at rejection (for rejected trades)
- k. Estimated Hold period
- l. Trigger type (for stop loss trades)
- m. Price level (for stop loss trades)
- n. Trigger price (for stop loss trades)
- o. Fill price (for stop loss trades)
- j.p. Calculated claim value in GBP (before prorating)

II. ~~Estimating~~Calculating Claim Value on Covered Transactions

7. Pursuant to the formulas described in this section II, Class Counsel's consultants ~~will estimate~~computed the claim value applicable to each Covered Transaction ~~using data produced by Barclays.~~

8. **Rejected trades:** For rejected trades, claim value ~~will be~~was calculated based on the change in the market mid-price between: (i) the time at which the trade or trade instruction

was submitted to Barclays; and (ii) the time at which Barclays submitted a response to the trade or trade instruction indicating rejection.

- a. For Covered Transactions for which the detailed data is available, the claim value ~~will be~~was calculated on a trade-by-trade basis by the following formula:

- i. For a trade or trade instruction where the class member attempts to buy:

$$CV = TN \times \frac{(RP - SP)}{RP}$$

- ii. For a trade or trade instruction where the class member attempts to sell:

$$CV = TN \times \frac{(SP - RP)}{RP}$$

Where:

CV is the claim value in pounds sterling;

TN is the trade notional in pounds sterling;

SP is the market price at the time at which the trade or trade instruction was submitted to Barclays; and

RP is the market price at the time at which Barclays submitted a response to the trade or trade instruction indicating rejection.

- b. For Covered Transactions for which detailed data ~~is~~was not available, the claim value ~~will be~~was calculated using a model constructed from the set of Covered Transactions described in paragraph 8(a), *supra*. —The model ~~will~~extrapolate~~extrapolated~~ claim ~~value~~values for Covered Transactions for which detailed data ~~is~~was not available by calculating weighted average claim values of the set of Covered Transactions described in paragraph 8(a), *supra*, by currency

pair,¹ to determine an estimated claim value per unit of rejected volume. The model ~~will~~was then ~~be~~ applied to the Covered Transactions for which the data fields necessary to apply the formula described above in paragraph 8(a), *supra*, ~~are~~were not available.

9. **Accepted Trades:** For accepted trades, claim value ~~will~~was calculated based on the volatility of the currency pair traded and the delay in trade acceptance, using an option pricing model as follows:

- a. For Covered Transactions for which the detailed data is available, the claim value ~~will~~was calculated on a trade-by-trade basis using the following formula:

$$CV = TN \times [N(d_1) - N(d_2)],$$

¹ There were 35 exotic currency pairs for which detailed transaction data was not available; therefore, there were no transactions covered by paragraph 8(a) from which to build a model specific to that currency pair. Accordingly, for these currency pairs, the weighted average claim value used was from across all non-G10 currency pairs. This affected 602 of the nearly 80 million lines of data in the Covered Transactions database. The 35 affected exotic pairs are: (1) AUDIDR (Australian Dollar to Indonesian Rupiah); (2) CADHUF (Canadian Dollar to Hungarian Forint); (3) EURBRL (Euro to Brazilian Real); (4) EURGHS (Euro to Ghanaian Cedi); (5) EURKES (Euro to Kenyan Shilling); (6) EURMAD (Euro to Moroccan Dirham); (7) EURMUR (Euro to Mauritian Rupee); (8) GBPKES (Sterling to Kenyan Shilling); (9) GBPTHB (Sterling to Thai Baht); (10) ILSZAR (Israeli Shekel to South African Rand); (11) INRJPY (Indian Rupee to Japanese Yen); (12) JPYKRW (Japanese Yen to South Korean Won); (13) MXNCZK (Mexican Peso to Czech Koruna); (14) MXNHUF (Mexican Peso to Hungarian Forint); (15) SEKCZK (Swedish Krona to Czech Koruna); (16) SEKRUB (Swedish Krona to Russian Ruble); (17) TRYCZK (Turkish Lira to Czech Koruna); (18); TRYHUF (Turkish Lira to Hungarian Forint); (19) USDBGN (U.S. Dollar to Bulgarian Lev); (20) USDBRL (U.S. Dollar to Brazilian Real); (21) USDCLP (U.S. Dollar to Chilean Peso); (22) USDCOP (U.S. Dollar to Colombian Peso); (23) USDHRK (U.S. Dollar to Croatian Kuna); (24) USDIDR (U.S. Dollar to Indonesian Rupiah); (25) USDKRW (U.S. Dollar to South Korean Won); (26) USDLTL (U.S. Dollar to Lithuanian Litas); (27) USDMAD (U.S. Dollar to Moroccan Dirham); (28) USDMUR (U.S. Dollar to Mauritian Rupee); (29) USDMYR (U.S. Dollar to Malaysian Ringgit); (30) USDPHP (U.S. Dollar to Philippine Peso); (31) USDTWD (U.S. Dollar to Taiwanese Dollar); (32) USDUGX (U.S. Dollar to Ugandan Shilling); (33) ZARCZK (South African Rand to Czech Koruna); (34) ZARNOK (South African Rand to Norwegian Krone); and (35) ZARSEK (South African Rand to Swedish Krona).

Where:

$$d_1 = \frac{1}{V \times \sqrt{HP}} \left[\ln \left(\frac{1}{1 + PT} \right) + \frac{V^2}{2} \times HP \right]$$

$$d_2 = d_1 - V \times \sqrt{HP}$$

and: *CV* is the claim value in pounds sterling;

TN is the trade notional in pounds sterling;

PT is the price tolerance threshold, as a fraction, that Barclays applied to this trade or trade instruction;

HP is the hold period in seconds that Barclays applied to this trade or trade instruction;

V is the currency pair volatility;

$\ln(x)$ is the natural logarithm function; and

$N(d)$ is the standard normal cumulative distribution function.

This formula is based on the well-established Black-Scholes option pricing model. Fischer Black and Myron Scholes, *The Pricing of Options and Corporate Liabilities*, JOURNAL OF POLITICAL ECONOMY, Vol. 81, No. 3: 637-654 (May-June 1973). The currency pair volatility (*V*) used in this formula is the standard deviation of market returns in the currency pair being traded, over a one second interval. These market returns are estimated using ~~a blend of~~ historical mid-prices for the currency pair from the interbank spot FX market.

- b. For Covered Transactions for which detailed data ~~is was~~ not available, the claim value ~~will be was~~ calculated using a model constructed from the set of Covered Transactions described in paragraph 9(a), *supra*. The model ~~will extrapolate~~ ~~extrapolated~~ claim value for Covered Transactions for which detailed data ~~is was~~ not available by calculating weighted average claim values of the set of Covered Transactions described in paragraph 9(a), *supra*, by currency pair, to

determine an estimated claim value per unit of accepted volume. The model ~~will~~was then ~~be~~ applied to the Covered Transactions for which the data fields necessary to apply the formula described above in paragraph 9(a), *supra*, ~~are~~were not available.

10. **Stop Loss Trades:** For stop loss trades, claim value was calculated based on the difference between: (i) the Barclays price available to the claimant at the time the stop loss order was triggered, and (ii) the price at which the stop loss order was executed.

a. For Covered Transactions for which the detailed data was available, claim value was calculated on a trade-by-trade basis by the following formula:

i. For a trade where the class member buys:

$$CV = TN \times \frac{(EP - TP)}{EP}$$

ii. For a trade where the class member sells:

$$CV = TN \times \frac{(TP - EP)}{EP}$$

Where:

CV is the claim value in pound sterling;

TN is the trade notional in pound sterling;

TP is the Barclays price available to the claimant at the time at which the stop loss level was triggered; and

EP is the price at which the stop loss order is executed.

b. For Covered Transactions for which detailed data was not available, claim value was calculated using a model constructed from the set of Covered Transactions described in 10(a), *supra*, by hold period category, to determine an estimated claim value per unit of volume. There are two hold period categories: (i) short, which includes transactions with a hold period less than or equal to 1900

milliseconds; and (ii) long, which includes all other transactions. The two hold period categories (short and long) represent distinct distributions of claim values per unit volume, as the short hold period includes trades where the class member received the price immediately after the stop loss order's price level was triggered. The model was then applied to the Covered Transactions for which the data fields necessary to apply the formula described in 10(a), *supra*, were not available.

III. Calculation of Each Claimant's *Pro Rata* Share of Settlement Proceeds

~~10.11.~~ Each class member may submit a claim for its share of the Net Settlement Fund. Each class member will be able to review the available Covered Transactions that have been identified as applicable to it based on the processes outlined above. Class members will also have the opportunity to submit additional transactions and information for consideration in the claims administration process. If class members submit additional transactions for consideration, the Claims Administrator will evaluate the additional transactions to determine if they qualify for claiming under the Settlement Agreement. If the transactions do not qualify, the class member will be notified, and if the class member disagrees with the determination, the dispute will be presented to the Court for resolution.

~~11.12.~~ Subsequent to the deadline to submit claims, the Claims Administrator will sum the total estimated claim values, as described above, across each and every Authorized Claimant. This amount will represent the total estimated claim value of all Authorized Claimants.

~~12.13.~~ The Claims Administrator will then compute each individual Authorized Claimant's ratio. This is the ratio of the Authorized Claimant's individual estimated claim value to the total estimated claim value of all Authorized Claimants.

~~13.~~14. Finally, the Claims Administrator will compute the individual Authorized Claimant's *pro rata* share of the Settlement by multiplying the individual Authorized Claimant's ratio by the Net Settlement Fund.

~~14.~~15. If and when the Settlement and the Proposed Plan of Distribution are granted final approval by the Court, after all claims have been submitted, reviewed, and processed, and upon entry of an order authorizing distribution of the Net Settlement Fund to Authorized Claimants, payment of each Authorized Claimant's *pro rata* share of the Net Settlement Fund will be made by check or wire transfer as designated by the Authorized Claimant.