

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

IN RE MUTUAL FUNDS)	MDL 1586
INVESTMENT LITIGATION)	
This Document Relates To:)	Case No. 04-MD-15862-04
<i>Pilgrim Baxter Sub-Track,</i>)	(Hon. J. Frederick Motz)
04-md-15862-04)	

**[PROPOSED] ORDER AWARDING ATTORNEYS' FEES
AND LITIGATION EXPENSES IN THE PILGRIM BAXTER SUB-TRACK**

J. FREDERICK MOTZ, District Judge

This matter came for hearing on October 21, 2010 (the "Final Settlement Hearing") on the applications of Court-appointed Class Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP, and Court-appointed Derivative Lead Counsel, Chimicles & Tikellis LLP (collectively, "Plaintiffs' Counsel"), and Court-appointed Plaintiffs' Administrative Chair and Liaison Counsel, Tydings & Rosenberg LLP ("Liaison Counsel"), to determine whether and in what amount to award attorneys' fees and reimbursement of litigation expenses to Plaintiffs' Counsel and Liaison Counsel in the Pilgrim Baxter sub-track. This Order incorporates by reference the definitions in this Court's May 19, 2010 Preliminary Order for Notice and Hearing in Connection with Settlement Proceedings in the Pilgrim Baxter Sub-Track (the "Preliminary Approval Order"), and all terms used herein shall have the same meanings as set forth in the Preliminary Approval Order. Any capitalized terms herein that are not defined in the Preliminary Approval Order shall have the same meanings as set forth in the Stipulations.

And it appearing that, pursuant to the specifications of the Court in the Preliminary Approval Order, the Long-Form Notice of the proposed Settlements and Final Settlement Hearing, substantially in the form approved by the Court, was posted on the Settlement website,

www.mutualfundsettlements.com/pb, and was made available for mailing to Settlement Class Members and current shareholders in any of the mutual funds that are successors to PBHG Funds, Inc. upon request; that the Notice was mailed to all Settlement Class Members reasonably identifiable as shown by the records of DST Systems, Inc., which maintains trading data and records concerning the PBHG Funds, at the respective addresses set forth in such records; that the Long-Form Notice was mailed to all Settlement Class Members and current shareholders in any of the mutual funds that are successors to PBHG Funds, Inc. who so requested; that the Proof of Claim form was posted on the Settlement website, www.mutualfundsettlements.com/pb, was made available for mailing to Settlement Class Members upon request, and was mailed to all Settlement Class Members who so requested; and that the Publication Notice, substantially in the form approved by the Court, was published in accordance with the Preliminary Approval Order;

And the Court, having considered all matters submitted to it at the Final Settlement Hearing, along with all prior submissions by the Parties and others (including any and all objections), and otherwise having determined the fairness and reasonableness of the awards of attorneys' fees and litigation expenses requested;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Court has jurisdiction over the subject matter of the Actions and all matters relating thereto, and over all parties to the Actions.

2. The Court hereby finds that notice of the applications for attorneys' fees and reimbursement of litigation expenses was given to all members of the Settlement Class who could be identified with reasonable effort. The form and method of notifying the Settlement Class of the applications for attorneys' fees and reimbursement of litigation expenses met the

requirements of due process, Rule 23 of the Federal Rules of Civil Procedure, and Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995, and constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto. The Court also finds that the form and method of providing notice to current shareholders in any of the mutual funds that are successors to PBHG Funds, Inc. of the applications for attorneys' fees and reimbursement of litigation expenses was reasonable and adequate and in compliance with Rule 23.1(c) of the Federal Rules of Civil Procedure and due process.

3. Plaintiffs' Counsel are hereby awarded attorneys' fees in the amount of 15% of the Gross Settlement Fund, which sum the Court finds to be fair and reasonable, and \$529,997.54 in reimbursement of litigation expenses (which includes an award of \$5,350.00 to Class Lead Plaintiff, the Ohio Public Employees Deferred Compensation Plan, as reimbursement for the costs it has incurred in overseeing this litigation on behalf of the Class), which expenses shall be paid from the Gross Settlement Fund.

4. Liaison Counsel is hereby awarded attorneys' fees and litigation expenses in the amount of 1.25% of the Gross Settlement Fund, which sum the Court finds to be fair and reasonable.

5. In making these awards of attorneys' fees and reimbursement of litigation expenses to be paid from the Gross Settlement Fund, the Court has considered and found that:

(a) The Settlements have created a total settlement fund of \$31,538,600 in cash that is already on deposit and has been earning interest;

(b) Numerous Settlement Class Members who submit acceptable Proofs of Claim and the current successors to the PBHG Funds will benefit from the Settlements created by the efforts of Plaintiffs' Counsel and Liaison Counsel;

(c) Plaintiffs' Counsel and Liaison Counsel have conducted the litigation and achieved the Settlements with skill, perseverance and diligent advocacy;

(d) The Actions involve complex factual and legal issues and, in the absence of settlement, would involve further lengthy proceedings with uncertain resolution of the complex factual and legal issues;

(e) Had Plaintiffs' Counsel not achieved the Settlements there would remain a significant risk that less or nothing would have been recovered from the Defendants;

(f) Over 500,000 copies of the Notice have been mailed to putative Class Members (and to current shareholders, to the extent they are Class Members or requested that Notices be mailed to them) stating that Plaintiffs' Counsel would be applying for an award of attorneys' fees not to exceed 15% of the Gross Settlement Fund and reimbursement of litigation expenses in an amount not to exceed \$615,000, and that Liaison Counsel would be applying for attorneys' fees and litigation expenses in the amount of 1.25% of the Gross Settlement Fund;

(g) The amount of attorneys' fees awarded and expenses reimbursed from the Gross Settlement Fund are fair and reasonable and consistent with awards in similar cases;

(h) The fee sought by Plaintiffs' Counsel has been reviewed and approved as fair and reasonable by the Court-appointed Class Lead Plaintiff, a sophisticated institutional investor that was substantially involved in all aspects of the prosecution and resolution of the Actions;

(i) The Court has considered the objections filed against the fee and expense

applications and has found them to be without merit, and such objections are hereby overruled. The Court has also reviewed the objections submitted by Theodore Bechtold to the fee and expense applications in the Strong Sub-Track of MDL-1586 and the objections that Theodore Bechtold attempts to raise in this Sub-Track, and has found that Theodore Bechtold has no standing to object to the fee and expense applications in the Pilgrim Baxter Sub-Track.

6. Any appeal or any challenge affecting this Court's approval regarding any attorneys' fees and expense application shall in no way disturb or affect the finality of the Judgments.

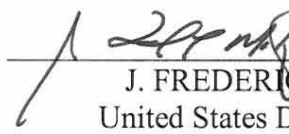
7. Exclusive jurisdiction is hereby retained over the parties and the Settlement Class Members for all matters relating to the Actions, including the administration, interpretation, effectuation or enforcement of the Stipulations and this Order, including any further application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the Settlement Class Members.

8. In the event that any or all of the Settlements are terminated or do not become effective in accordance with the terms of the Stipulations, this Order shall be rendered null and void to the extent provided by the affected Stipulations and shall be vacated in accordance with that Stipulation.

9. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

SO ORDERED:

Dated: Baltimore, Maryland
October 20, 2010



J. FREDERICK MOTZ
United States District Judge