

**REDW LLC**

**Ramah Navajo Chapter – Settlement Administrator**

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**Ramah Navajo Chapter Class Action  
Supplemental Explanation of Final Share Percentage –  
Class Members Sharing in the Net Common Fund**

December 19, 2003

The following steps were used to arrive at your entity's Final Share Percentage of the Net Common Fund as per Appendix F to the Second Partial Settlement Agreement ("PSA2"). That percentage was shown at the close of the "final share percentage verification sheet" previously mailed to you. This Supplemental Explanation should be viewed in conjunction with the Final Share Percentage Schedule mailed on December 16, 2003, which you can view on the Class Website at [www.rncsettlement.com](http://www.rncsettlement.com) Final Share Percentage List (on the home page).

1. The Base Year Amount was determined for each entity (*Column 3 of Schedule*).
2. The Base Year Amounts for all entities were summed for a total of \$409,581,158 (*Sum of Column 3*).
3. The Ratio of Base Year Expenditures (*column 4*) was then determined. We were required by Appendix F to PSA2 to disclose this information to all Class Members in the Final Share Percentage Schedule. **This percentage is not the Percentage used to calculate your organization's share of PSA2 proceeds.** This calculation is an initial step in determining your organization's share of the PSA2 proceeds.
4. The Share allocation (*Column 7 of Schedule*) is an intermediate step in determining your organization's share of PSA2 proceeds. As reflected in the Notes to the Final Share Percentage Schedule, Column 7 represents each organization's proportionate share of base year expenditures after making the adjustments for full allocation, two-thirds (2/3 allocation) and one-third (1/3 allocation) required by paragraph 12(a) of Appendix F for Class Members with only two or one qualifying years. **The decimal figure in Column 7 is also not the percentage or ratio used to calculate your organization's share of PSA2 proceeds.**

5. The next step in calculating your organization's share percentage is to determine the ratio of your base year expenditures to the total of base year expenditures for all class members sharing in the Net Common Fund (after excluding the named Plaintiffs expenditures). This requires recalculation of that ratio using as the base \$398,773,108, rather than the \$409,581,158, used in Step 3 above. ( $\$409,581,158 - \$398,773,108 = \$10,808,050$ ; This \$10,808,050 is the amount of base year expenditures of the three named Plaintiffs).
6. As an organization sharing in the Net Common Fund, your organization's adjusted share percentage is determined by dividing your organization's adjusted share of allocation by the total share of allocation for all Class Members sharing in the Net Common Fund (your organization's Column (7) amount/.971489). This will convert the allocation amount in Column 7 to 100% which produces the percentage amount in column 8. **This percentage (Column 8 of schedule) is the percentage used to calculate your organization's share of the Net Common Fund.**
7. **As an organization sharing in the Net Common Fund, the percentage reflected in Column 8 will be multiplied by the amount in the Net Common Fund (\$21,330,965.46) to determine your organization's share of PSA2 proceeds.** The Net Common Fund represents the PSA2 settlement amount less (1) amounts designated for the Reserve Account, (2) Class Counsel fees and costs, (3) National Congress of American Indians ("NCAI") Account and (4) amounts paid to the Named Class Representatives (i.e. the Named Class Representatives Fund as defined on page 16 of PSA2). The final step in that calculation required deducting the \$899,631.54 which constitutes the Named Plaintiffs Fund from \$22,230,597 (the initial deposit amount and current balance of the Net Common Fund on deposit in CRIS subaccount 09 prior to that adjustment).  $\$22,230,597$  with the Clerk –  $\$899,631.54$  (Named Plaintiffs Fund) =  $\$21,330,965.46$ .
8. Your organization's Percentage of Net Common Fund will differ from the Ratio of Base Year expenditures for the following reasons:
  - a. The Total Base Year Amount of \$409,581,158 (used to calculate Ratio of Base Year Expenditures) includes Named Class Representatives Base Year Amounts which total \$10,808,050.
  - b. The Named Class Representatives Fund is deducted in the determination of the Net Common Fund and the Named Class Representatives do not share in the Net Common Fund.
  - c. If a Class Member has only a one-third (1/3) allocation or two-thirds (2/3) allocation their share of allocation and percentages of Net Common Fund is reduced.

- d. If a Class Member has a full allocation then their share is increased because of the reduction in the share of allocation for Class Members that received only a 1/3 or 2/3 allocation (see (7.c.) above).
1. As reflected in our letter dated December 16, 2003, any objections approved by the Court which result in an increase in any Class Members' share percentage for the base year will cause a proportional decrease in all other class members' final share percentages. Any changes in the Class Members' final share percentages would cause a change in amounts paid to Named Class Representatives, which would cause a corresponding change in the Net Common Fund.
2. The new deadline for filing objections with the Court Clerk is thirty days from December 19, 2003, the date of mailing of the notification of this supplemental explanation.

Should you have any questions please contact Susan Hansen at 1-888-726-9418 or 1-505-998-3274.

Sincerely,

**RAMAH SETTLEMENT ADMINISTRATION**