

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

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| _____ | x |
| | : |
| IN RE EATON VANCE CORPORATION | : No. 01 CV 10911 EFH |
| SECURITIES LITIGATION | : |
| | : |
| _____ | x |

E.F.H.
~~[PROPOSED]~~ FINAL JUDGMENT AND
ORDER OF DISMISSAL WITH PREJUDICE

WHEREAS:

A. Lead Plaintiffs Donald Chesner, Elizabeth Chesner, the Sophie B. Bialeck Trust, and Woodson W. Bassett, Jr., on behalf of themselves and the certified Class, Plaintiff Neil Macy, and Defendants Eaton Vance Corp., EV Classic Senior Floating-Rate Fund ("EV Classic"), Eaton Vance Prime Rate Reserves ("Prime Rate"), Eaton Vance Management, James B. Hawkes, James L. O'Connor, Scott H. Page, Payson F. Swaffield, M. Dozier Gardner, Jessica M. Bibliowicz, Donald R. Dwight, Samuel L. Hayes, Norton H. Reamer, Lynn A. Stout, John L. Thorndike, and Jack L. Treynor (collectively, "Defendants") have entered into a Settlement of the claims asserted in the Action, the terms of which are set forth in a Stipulation of Settlement dated December 20, 2005 (the "Settlement Agreement");

B. This Court entered an Order Preliminarily Approving Settlement and Providing for Notice to the Class dated January 9, 2006 (the "Preliminary Approval Order"), preliminarily approving the proposed Settlement, directing individual and publication notice to potential Class Members, scheduling a hearing for April 26, 2006 at 2:00 p.m. (the "Fairness Hearing"), and providing Class Members with an opportunity to object to the proposed Settlement and to be heard at the Fairness Hearing;

C. Notice has been provided to the members of the Class in accordance with the Preliminary Approval Order, as evidenced by the Affidavit of Thomas R. Glenn of Complete Claim Solutions, Inc.;

D. The Court held the Fairness Hearing on April 26, 2006 to determine whether the proposed Settlement of the Action on the terms and conditions provided in the Settlement Agreement is fair, reasonable, and adequate and should be approved by the Court, and whether a Final Judgment as provided for in the Settlement Agreement should be entered herein; and

WHEREAS, the Court, having considered all matters submitted to it at the hearing, along with all prior submissions by the Parties to the Settlement and others, and otherwise having determined the fairness and reasonableness of the proposed Settlement of the claims of the Class Members against the Released Persons.

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. This Final Judgment incorporates by reference the definitions in the Settlement Agreement, and all terms used herein shall have the same meanings as set forth in the Settlement Agreement.

2. The Court finds that the distribution of the Notice and the Special Notice, the publication of the Summary Notice, and the notice methodology, all implemented in accordance with the terms of the Settlement Agreement and this Court's Preliminary Approval Order:

(a) constituted the best practicable notice to Class Members under the circumstances of this Action;

(b) were reasonably calculated, under the circumstances, to apprise Class Members of: (i) the proposed Settlement of this class action, (ii) their right to object to any aspect of the proposed Settlement, (iii) their right to appear at the Fairness Hearing, either on their own or through counsel hired at their own expense, if they are not excluded from the Class, and (iv) the binding effect of the

proceedings, rulings, orders, and judgments in this Action, whether favorable or unfavorable, on all persons who are not excluded from the Class;

(c) were reasonable and constituted due, adequate, and sufficient notice to all persons entitled to be provided with notice; and

(d) fully satisfied all applicable requirements of the Federal Rules of Civil Procedure (including Rules 23(c) and (d)), the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, the Rules of the Court, and any other applicable law.

3. This Court finds that it has jurisdiction over the subject matter of the Action, including the terms and conditions of the Settlement Agreement and all exhibits thereto, and over all Parties to the Action and all Class Members.

4. The Court finds that the terms and provisions of the Settlement Agreement were entered into by the Parties in good faith and are hereby fully and finally approved as fair, reasonable, and adequate as to, and in the best interests of, each of the Parties and the Class Members, and consistent and in compliance with all applicable requirements of the Federal Rules of Civil Procedure, the Private Securities Litigation Reform Act of 1995, the United States Constitution (including the Due Process Clause), the Rules of this Court, and any other applicable law. The Parties and their counsel are hereby directed to implement and consummate the Settlement Agreement according to its terms and provisions.

5. The Court finds that Plaintiffs and all other members of the Class, as well as their heirs, executors, administrators, successors, and assigns, are bound by the Settlement Agreement and by this Final Judgment and Order of Dismissal with Prejudice. The Class, as defined in the Settlement Agreement and herein, means all Persons who purchased shares (including purchases by dividend reinvestment) of the EV Classic Senior Floating-Rate Fund between May 25, 1998 and March 15, 1999, inclusive, or between March 13, 2000 and March 2, 2001, inclusive. Excluded from the Class are the

Defendants herein, the officers, directors, and employees of each corporate Defendant, the members of each individual Defendant's immediate family, any entity in which any Defendant has a controlling interest, and the legal affiliates, representatives, heirs, controlling persons, successors, and predecessors in interest or assigns of any such excluded party, and those persons who submitted valid and timely requests for exclusion from the Class pursuant to the instructions set forth in the Notice of Pendency and who have not revoked their requests for exclusion in accordance with the procedures set forth in the Preliminary Approval Order, as identified on Exhibit 1 hereto.

6. The Action is hereby dismissed on the merits and with prejudice. The Parties and all persons and entities are to bear their own costs, except as otherwise provided in the Stipulation or this Final Judgment.

7. Upon the Final Settlement Date, each and every Plaintiff and Class Member, and any of their heirs, executors, administrators, successors or assigns, shall be deemed to have, and by operation of this Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims (including Unknown Claims) against each and all of the Released Persons, whether or not such Class Member submitted a timely and valid Claim Information Form.

8. Upon the Final Settlement Date, each of the Released Persons shall be deemed to have, and by operation of this Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged each and all of the Class Members, Plaintiffs, and Plaintiffs' Counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement, or resolution of the Action or the Released Claims.

9. The Court finds that Lead Counsel and Lead Plaintiffs adequately represented the Class under Rules 23(a)(4) and (g) of the Federal Rules of Civil Procedure for purposes of negotiating, entering into, and implementing the Settlement.

10. Upon the Final Settlement Date, the Eaton Vance Defendants, other than EV Classic or Prime Rate, are hereby directed to pay Plaintiff Macy the sum of seven thousand seven hundred forty-five dollars (\$7,745.00).

11. Upon the Final Settlement Date, Plaintiff Macy as well as his heirs, executors, administrators, successors, and assigns, shall be deemed to have, and by operation of this Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Released Claims and all claims, whether known or unknown, which have been or could have been asserted by him against any of the Defendants or the Released Persons, whether under state, federal, common, foreign or administrative law, arising out of, based upon, or related in any way to his purchase of shares in Prime Rate prior to and including March 5, 2001 and the facts, transactions, events, occurrences, acts, disclosures, statements, omissions, or failures to act which were or could have been alleged in the Action.

12. Upon the Final Settlement Date, each of the Released Persons shall be deemed to have, and by operation of this Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged Plaintiff Macy of all claims, whether known or unknown, arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement, or resolution of the Action, Macy's claims, or the Released Claims.

13. Upon the Final Settlement Date, Lead Counsel, without further approval of Defendants or the Court, may cause to be paid out of the Escrow Account any Notice and Administration Expenses in excess of \$200,000.00.

14. Neither this Final Judgment, the Settlement Agreement (whether or not it is consummated and whether or not it is terminated), nor any of their provisions, nor any negotiations, proceedings or agreements relating to the Settlement Agreement and the Settlement, nor any matter arising in connection with such negotiations, proceedings or agreements, nor any act performed or

document executed pursuant to or in furtherance of this Settlement Agreement: (i) is or may in any event be deemed or construed to be or may be offered or received in evidence or used as or deemed to be an admission or evidence of a presumption, concession or admission by any Defendant of the truth of any fact alleged in the Complaint or the validity of any Released Claim or of any wrongdoing, liability, negligence or fault by any Defendant, or a presumption, concession or admission by any Plaintiff as to the infirmity of any fact alleged in the Complaint, viability of any Released Claim, or lack of wrongdoing, liability, negligence or fault by any Defendant; (ii) is or may be deemed to be or may be referred to or used as an admission or evidence of a presumption, concession or admission with respect to any fault or omission, or lack thereof, of the Defendants, or for any other reason, in any civil, criminal, arbitration or administrative action or proceeding in any court, arbitration, administrative agency or other tribunal, other than in such proceedings as may be necessary to consummate, effectuate or enforce any of the provisions of the Settlement Agreement, the Settlement or the Final Judgment; (iii) is or may be used as an admission or evidence that Lead Plaintiffs' claims in the Action did not have merit; (iv) is or may be used or construed against any Party as an admission or concession that the consideration to be given hereunder represents the amount that could be or would have been recovered by Plaintiffs after trial; (v) is or may be used or construed or received in evidence as an admission, concession or presumption by Defendants that any damages were recoverable under the Complaint or by Lead Plaintiffs that the damages recoverable under the Complaint would not have exceeded the Settlement Fund. Defendants may file this Settlement Agreement and/or this Final Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good-faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim. Any Party may file the Settlement Agreement and/or this Final Judgment in any action that may be brought to enforce the terms of this Settlement Agreement and/or this Final Judgment.

15. The terms and provisions of the Settlement Agreement and of this Final Judgment are binding on Plaintiffs and all other Class Members, as well as their heirs, executors, administrators, successors, and assigns, and they are hereby permanently barred and enjoined from asserting, instituting, commencing, continuing, or prosecuting either directly or indirectly, representatively, derivatively or in any other capacity, any Released Claims (including Unknown Claims) against any Released Person; *provided, however*, that this Final Judgment shall not bar any action or claim to enforce the terms of the Settlement as approved by the Court or this Final Judgment.

16. Without affecting the finality of this Final Judgment for purposes of appeal or in any other way, this Court hereby expressly retains exclusive jurisdiction: (a) with respect to implementation and enforcement of the terms of the Settlement Agreement, and the administration and consummation of the Settlement embodied therein, including any distribution from or disposition of the Settlement Fund and any interest earned thereon; and (b) as to all matters relating to the administration, consummation, enforcement, and interpretation of the Settlement Agreement and this Final Judgment, and for any other necessary purpose.

17. The Court finds that during the course of the Action, the Parties and their respective counsel at all times complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure.

18. If the Final Settlement Date does not occur, then:

(a) this Final Judgment and any order or judgment entered after the Execution Date of the Settlement Agreement that relates to this Settlement Agreement, shall be null and void and shall have no force or effect;

(b) the Settlement Agreement shall be null and void and shall have no force or effect, and no Party to the Settlement Agreement shall be bound by any of its terms, except for the terms of Sections 8.2, 10.7, and 11.5 of the Settlement Agreement;

(c) Lead Counsel shall, within ten (10) days, authorize the Escrow Agent to immediately return to Defendants, in accordance with their instructions, the Settlement Amount (plus any interest accrued thereon) less a maximum of one hundred thousand (\$100,000) in Notice and Administration Expenses paid out of, or incurred by, the Settlement Fund, and less any Taxes and Tax Expenses paid out of, or incurred by, the Settlement Fund;

(d) the Settlement Agreement, all of its provisions, and all negotiations, statements, documents and proceedings relating to it shall be without prejudice to the rights of Defendants, Plaintiffs, or any other Class Member, all of whom shall be restored to their respective positions vis-à-vis each other as they existed immediately before the execution of the Settlement Agreement;

(e) the Parties shall meet and confer and apply to the Court for a new trial date and dates for the filing of pre-trial submissions; and

(f) neither the Settlement Agreement, nor the fact of its having been made, nor any documents prepared and statements made in connection therewith shall be referred to, admissible in or introduced or entered into evidence in any other way for any purpose whatsoever in this Action or in any other action or proceeding.

19. Nothing in this Final Judgment shall preclude or bar any action or claim to enforce the terms of the Settlement Agreement as approved by the Court or this Final Judgment.

20. All agreements made and orders entered during the course of this Action, including the Confidentiality Stipulation approved by the Court on May 27, 2003 (the "Confidentiality Stipulation"), relating to the confidentiality of documents, testimony or other information produced during pre-trial discovery in this Action, shall survive the Settlement Agreement and this Final Judgment.


21. The Parties may, without notice to or further approval from the Court, enter into written agreements that amend, modify or expand the Settlement Agreement and its implementing documents (including the exhibits to the Settlement Agreement), provided that such amendments,

modifications, or expansions of the Settlement Agreement are not materially inconsistent with this Final Judgment and do not (a) materially limit the rights of Class Members under the Settlement Agreement; or (b) materially limit the rights of the Released Persons under the Settlement Agreement.

22. The Court, without affecting the finality of this Final Judgment for purposes of appeal, retains jurisdiction as to any award of attorneys' fees and expenses to Lead Counsel on behalf of Plaintiffs' Counsel, any award of costs and expenses to one or more of the Lead Plaintiffs, all matters relating to the administration, consummation, enforcement, and interpretation of the Settlement Agreement and this Final Judgment, and for any other necessary purpose.

IT IS SO ORDERED.

Dated: April 26, 2006



HON. EDWARD F. HARRINGTON, JR.
UNITED STATES DISTRICT JUDGE

EXHIBIT 1

| Complete Claim Solutions, Inc Claimant ID | Excluded Class member | city | state |
|---|--|-----------------|-------|
| 18448 | DARLENE A SENECHAL TTEE DARLENE A SENECHAL LIVING TRUST | BLOOMINGTON | MN |
| 70492 | MAURICE G JOYNER & NOLA J JOYNER JTWROS | EAST WENATCHEE | WA |
| 11392 | BILLY W LAY | PULASKI | TN |
| 129356 | ROGER ERNEST MAVES & MARIE ANNE MAVES TTEES ROGER E & MARIE A MAVES TRUST | BAILEY | CO |
| 55325 | JOHN DENNISON TTEE RUSSELL B CASE TRUST | CUTCHOGUE | NY |
| 73003 | MOIR A RENNIE & JESSIE H RENNIE JT TEN | ENGLEWOOD | FL |
| 55057 | JOHN A GEFELL & RITA I GEFELL JTWROS | ROCHESTER | NY |
| 5187 | ANNE M HOMAN | READING | PA |
| 28919 | ELBERT A BAIRD & MARY E BAIRD TTEES BAIRD FAMILY REV TRUST | LAYTON | UT |
| 28784 | EILEEN M SWOBODA TTEE EILEEN M SWOBODA REV TRUST | CHIPPEWA FALLS | WI |
| 49506 | IGNACIO ARANGO & VALERIE ARANGO | OAKLAND | CA |
| 137979 | THEODORE W S SINK & PHOEBE K SINK JTWROS | SAINT AUGUSTINE | FL |
| 90144 | G L COLFRY | DALLAS | TX |
| 57680 | JULIUS G LOTOCKI AND EDITH LOTOCKI JTWROS | BLASDELL | NY |
| 156025 | MS MARCIA D HOYT | SYRACUSE | NY |
| 101988 | OSCAR LOPEZ & NANCY LOPEZ JTWROS | PINEHURST | NC |
| 49257 | HOWARD HAYES & CARROL HAYES TTEES HAYES 1986 FAMILY TRUST | TURLOCK | CA |
| 157379 | WILLIAM N GIBLER & PATRICIA GIBLER TTEE GIBLER TRUST | GREEN VALLEY | AZ |
| 2198 | ADVANTAGE TRUST CO TTEE MARY A HUGHES REV TRUST | EMPORIA | KS |
| 80981 | RICHARD W MORSE | PLEASANT VALLEY | NY |
| 57852 | KAREN STAMM & EDWARD STAMM | ARCHBOLD | OH |
| 118767 | JERALD H CHATWIN | SALT LAKE CITY | UT |
| 45494 | GILDA K HAUS | LAS VEGAS | NV |
| 94896 | HAROLD O GANGSTEAD & RUTH E GANGSTEAD | SIOUX FALLS | SD |
| 25938 | DONALD E MACKAY & MARIE MACKAY JTWROS | HATTIESBURG | MS |
| 67797 | MARGARET H BUDD | OCALA | FL |
| 48892 | HERMAN W JONES | KENT | WA |
| 44884 | GEORGE J SCHUM & KATHERINE S SCHUM JTWROS | WEBSTER | NY |

| Complete Claim Solutions, Inc Claimant ID | Excluded Class member | city | state |
|---|---|---------------|-------|
| 30922 | LORRAINE SCHLEICH IRA | CARROLLTON | TX |
| 45755 | GLORIA A SANTOS (IRA/RO) | FLUSHING | NY |
| 68215 | MARIE A PIETRZAK AND DANIEL J PIETRZAK JTWROS | PITTSBURGH | PA |
| 14213 | CHARLOTTE ACKERMAN | TUCSON | AZ |
| 103344 | DONALD W KELLER & BARBARA M KELLER JTWROS | PERRYSBURG | OH |
| 158536 | MARGARET G BARGER IRA | GREENWOOD | MS |
| 55469 | JOHN G CARNEY JR & PATRICIA S CARNEY JTWROS | LOUDON | TN |
| 51513 | JACK MURPHY AND RENAE MURPHY JTWROS | URBANDALE | IA |
| 49915 | IRENE L LENNY & LORRAINE KENNIE JTWROS | LAKE PLACID | FL |
| 72011 | MICHAEL CHUCTA & PHYLLIS CHUCTA JTWROS | DELAWARE | OH |
| 160116 | F LOIS HENRY | CORNWALL | PA |
| 130892 | RYAN S ZIMMERMAN | WAUSEON | OH |
| 6844 | ROSINA M SCHOENBACHLER | LOUISVILLE | KY |
| 160117 | ALAN ZIMMERMAN | GOSHEN | IN |
| 44737 | GEORGE A STRUMBERGER & SUSANNE R STRUMBERGER JTWROS | GILBERTS | IL |
| 8646 | BETTY B WILEY TTEE LIVING SURVIVORS TRUST | WILEY | OR |
| 112962 | MICHAEL SERKO JR | ENDWELL | NY |
| 160122 | FREDERICK M KENNEDY | WAVERLY | NY |
| 151974 | MR J W THOMPSON MS SUE THOMPSON CO-TTEES THOMPSON FAMILY TRUST | TEMPLE | OK |
| 84721 | MILLIE J HOLDER | SPRINGFIELD | VA |
| 14279 | CHAROLETTE A KNIFFIN | OLDSMAR | FL |
| 20511 | FREDERICK A SCHULTZ | CHICOPEE | MA |
| 27506 | EARL E FAAS TOD DAVID CONGER | WALDO | WI |
| 44993 | GEORGE S MAITLAND & RUTH P MAITLAND JTWROS | COMMERCE TWP | MI |
| 5218 | ANNE R GARRETT | PHILADELPHIA | PA |
| 75407 | PATSY J JONES | FERRIDAY | LA |
| 155947 | THE ANN M MASTERS LIV TR ANN M CULCASI TTEE | MRS | OR |
| 80361 | JAMES B KAVANAUGH | EUGENE | MA |
| 79013 | MARTIN MARKUS MD INC PFT SHRNG | ORLEANS | OH |
| 124995 | GLENDA MYRA CLAYTON | LONDON | OH |
| 96300 | ROSA PENA AND TERESA D PENA | TYLER | TX |
| 6266 | BARBARA A CLAGUE | EL PASO | TX |
| 137204 | SYDELL F KOSBY TTEE SYDELL F KOSBY SEPERATE PROP TRUST | MENTOR | OH |
| 92855 | ROBERT I EVERSOLL | HENDERSON | NV |
| 47502 | HAROLD G SLOVIC | BOWLING GREEN | KY |
| | | JAPAN | JP |

| Complete Claim Solutions, Inc Claimant ID | Excluded Class member | city | state |
|---|----------------------------------|-----------------|-------|
| 57267 | JUANITA CARR DORIS M STREETER | POA MARSHALL | MI |