

UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF TENNESSEE  
Securities and Exchange Commission

v.

Dollar General Corporation, et al  
Civil Case No. 3:05 0283 (WJH)

**DISTRIBUTION PLAN NOTICE OF SEC FAIR FUND TO DOLLAR GENERAL INVESTORS**

**TO: Persons who purchased Dollar General Securities (as defined below) or sold put options on Dollar General Securities between June 16, 1998 through January 14, 2002 inclusive (the "Recovery Period").**

If you submitted a Proof of Claim in connection with the settlement obtained in *In re Dollar General Securities Litigation*, Civil Action No. 3:01-0388 (M.D. Tenn) (WJH) (the "*Dollar General Class Action*") and your claim was approved, you do not need to submit a Proof of Claim to participate in the SEC Fair Fund. However, as explained below, if you purchased Dollar General Securities or sold put options on Dollar General Securities during the Recovery Period and either (a) you submitted a Proof of Claim to participate in the *Dollar General Class Action* settlement but your claim was denied in whole or in part; or (b) you did not submit a proof of Claim in the *Dollar General Class Action*, you must submit a completed Proof of Claim Form with the necessary documentation by April 2, 2011 to be Eligible to participate in the SEC Fair Fund.

**I. Purpose of this Notice.**

The purpose of this Distribution Plan Notice is to inform you that you may be entitled to share in the proceeds of the SEC Fair Fund described herein. Unless you fall within the exception described above and in Section III below, this Distribution Plan Notice describes the steps you must take to be potentially eligible to share in the SEC Fair Fund. This Distribution Plan Notice has been mailed to all potentially eligible claimants who purchased Dollar General Securities or sold put options on Dollar General Securities during the Recovery Period (June 16, 1998 through January 14, 2002) and who are known to the Distribution Agent. If you submitted a proof of claim in connection with the *Dollar General Class Action*, but your claim was denied in whole or in part, or if you did not submit a proof of claim in connection with the *Dollar General Class Action*, a Proof of Claim Form should be enclosed with this Distribution Plan Notice. Copies of this Distribution Plan Notice and the Proof of Claim Form are also available on the SEC Fair Fund website, located at [www.dollargeneralsecsettlement.com](http://www.dollargeneralsecsettlement.com) and through the website of the United States Securities and Exchange Commission (the "SEC") at [www.sec.gov](http://www.sec.gov). Moreover, as explained in greater detail below, if you submitted a Proof of Claim Form that was approved in the *Dollar General Class Action*, you should not submit another Proof of Claim Form to participate in the SEC Fair Fund.

**Please Note:** Receipt of this Notice does not mean that you have an Eligible Claim. In addition, the Distribution Agent does not have information regarding your potentially eligible transactions unless you filed a proof of claim to participate in the *Dollar General Class Action* settlement.

**NOTE TO INSTITUTIONAL FILERS.** Claims with 100 or more transactions or on behalf of 20 or more different accounts must be submitted electronically and in the required format. To obtain the mandatory electronic filing requirements and file layout, you may visit the SEC Fair Fund's website at [www.dollargeneralsecsettlement.com](http://www.dollargeneralsecsettlement.com) or you may e-mail the Distribution Agent at [eClaim@gcginc.com](mailto:eClaim@gcginc.com). Any submission not in accordance with the required electronic filing format may be rejected. Proof of authority to submit a Proof of Claim on behalf of any managed accounts must be submitted with any Proofs of Claim for such accounts.

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. IF YOU SATISFY THE ELIGIBILITY CRITERIA DESCRIBED BELOW, YOU MAY BE ENTITLED TO A RECOVERY FROM THE SEC FAIR FUND. THIS NOTICE CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS.**

**II. Background.**

On April 7, 2005, the SEC filed its Complaint in this action alleging that from June 16, 1998 through January 14 2002, Dollar General Corporation, Inc. ("Dollar General"), Hurley Calister Turner, Jr., Brian M. Burr, Randy S. Sanderson, and Bobby R. Carpenter (collectively, the "Defendants") defrauded investors by engaging in a scheme to overstate Dollar General's earnings by millions of dollars in violation of the federal securities laws.

Without admitting or denying the allegations in the Commission's Complaint, the Defendants consented to Final Judgments entered by the United States District Court for the Middle District of Tennessee (the "Court") on April 14, 2005 and April 11, 2006 (the "Final Judgments"). As required by those Final Judgments, the Defendants together paid to the Clerk of the Court disgorgement and prejudgment interest of \$877,786.17 and civil penalties totaling \$11,740,824 (together, the "Dollar General Settlement Funds."). Pursuant to the Final Judgments, the Clerk of the Court deposited the Dollar General Settlement Funds into an interest-bearing account with the Court Registry Investment System ("CRIS"). In addition, on June 29, 2007, the Court ordered the Clerk of the Court to accept and deposit with the Dollar General Settlement Funds, \$7,000,000 in funds from International Business Machines Corporation ("IBM") undertaken in a related administrative action.

The Final Judgments provided that the Commission may propose a plan to distribute the Dollar General Settlement Funds pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. On June 29, 2009, the Commission submitted its Motion for Creation of a Fair Fund and Appointment of a Distribution Agent, pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. On July 2, 2009, the Court granted the Commission's motion and entered an Order Authorizing the Creation of a Fair Fund and Appointing a Distribution Agent (the "Order"). The Fair Fund includes all of the funds the Defendants and IBM paid to the Clerk of the Court pursuant to the Final Judgments, plus accrued interest. The Order also appointed The Garden City Group, Inc. ("GCG") as Distribution Agent to prepare, in consultation with the staff of the SEC, a plan of distribution for the SEC Fair Fund pursuant to which monies in it will be distributed to investors harmed by the violations alleged in the Complaint. The Order also authorizes the Distribution Agent to implement the distribution of the SEC Fair Fund to approved claimants in coordination with the staff of the SEC, pursuant to the Plan of Distribution, subject to oversight by the Court.

The Court approved the Distribution Plan on October 20, 2010.

### **III. Previously Approved Claimants in *Dollar General Class Action Settlement*.**

The SEC Fair Fund is separate and independent from the settlement fund previously established in the *Dollar General Class Action*, the securities class action involving Dollar General, that was brought in the Court. However, the SEC Fair Fund relates to allegations similar to those asserted in *Dollar General Class Action*, and the Recovery Period for the SEC Fair Fund (June 16, 1998 through January 14, 2002) is a subset of the class period in the *Dollar General Class Action* (March 5, 1997 through January 14, 2002). **Therefore, if you submitted a proof of claim form to participate in the *Dollar General Class Action*, and that claim was approved, you do not need to submit another Proof of Claim Form to participate in the SEC Fair Fund.**

### **IV. Eligibility Criteria and the Distribution Formula.**

To qualify for a recovery from the SEC Fair Fund, you must satisfy certain eligibility criteria that are described in detail in the Distribution Plan and the Plan of Allocation, attached to the Distribution Plan as Exhibit A. These documents are available on the SEC Fair Fund's website at [www.dollargeneralsecsettlement.com](http://www.dollargeneralsecsettlement.com). Those criteria include the following:

1. **You must have (i) purchased Dollar General common stock or bonds, or securities that traded in whole or in part based on the price or value of any security issued by Dollar General, including Structured Yield Product Exchangeable for Stock issued on May 21, 1998 by Dollar General STRYPES Trust and exchanged at maturity on May 15, 2001 for Dollar General common stock ("Dollar General Securities") on dates between June 16, 1998 and January 14, 2002, inclusive, and (ii) retained such Dollar General Securities through the close of the markets on specific dates, depending on the date of purchase, as described in the Plan of Allocation.**
2. **You are excluded from participation in the SEC Fair Fund if you are:**
  - A director or officer, or former director or officer, of Dollar General or any of its past or present Affiliates (as defined in Section 101(2) of the United States Bankruptcy Code, 11 U.S.C. § 101(2)) or any of his or her assigns, creditors, heirs, distributes, spouses, parents, children, or controlled entities who served in such capacity during the Recovery Period;
  - An employee of Dollar General or of any of its past or present Affiliates who has been terminated for cause in connection with the violations alleged in the Commission's Complaint in this action or any related Commission action, or who was otherwise terminated or has resigned in connection with the violations alleged in the Commission's Complaint in this action or any related Commission action (or any of such employee's Affiliates, assigns, creditors, heirs, distributes, spouses, parents, children, or controlled entities);

- A defendant in any action brought by the Commission or any class action lawsuit related to the conduct described in the Commission's Complaint in this action or any related Commission action (or any of such defendant's Affiliates, assigns, creditors, heirs, distributes, spouses, parents, children, or controlled interests), unless and until such defendant is found not liable in all such civil suits prior to the Claims Bar Date, and proof of the finding(s) is included in such defendant's timely filed Proof of Claim Form;
- A person who, as of the Claims Bar Date, April 2, 2011, has been the subject of criminal charges related to the violations alleged in the Commission's Complaint in this action or any related Commission action (or any of his or her Affiliates, assigns, creditors, heirs, distributes, spouses, parents, children, or controlled entities);
- A person who assigned his or her right to obtain a recovery in the Commission's action against Dollar General;
- An assignee of another person's right to obtain a recovery in the Commission's action against Dollar General, provided, however, this provision shall not be construed to exclude those persons who obtained such a right by inheritance or devise; or
- GCG or any person(s) or entity assisting it in its role as Distribution Agent.

**The Eligible Loss Amount incurred by an Eligible Claimant shall be determined by reference to the Plan of Allocation attached to the Distribution Plan. Instructions for calculating your Eligible Loss Amount may be found in that Exhibit to the Distribution Plan.**

If the monies available for distribution from the SEC Fair Fund equal or exceed the aggregate Eligible Loss Amount for all approved claims, each claimant with an approved claim shall receive his or her Eligible Loss Amount. If the aggregate Eligible Loss Amount for all approved claims exceeds the monies available for distribution, distributions shall be made to Eligible Claimants on a pro rata basis, determined by the ratio of each approved claim to the aggregate amount of all approved claims.

An approved claim must equal or exceed \$10.00 for a distribution to be made to an Eligible Claimant. Claims that do not meet that minimum dollar amount shall not be approved for payment.

**V. Proof of Claim Forms.**

**PROOF OF CLAIM FORMS ARE BEING MAILED TOGETHER WITH THIS NOTICE TO ALL POTENTIALLY ELIGIBLE CLAIMANTS KNOWN TO THE DISTRIBUTION AGENT WHO, BASED ON THE DISTRIBUTION AGENT'S RECORDS, EITHER (A) DID NOT FILE A PROOF OF CLAIM IN THE *DOLLAR GENERAL CLASS ACTION* OR (B) DID FILE SUCH A PROOF OF CLAIM BUT THAT CLAIM WAS DENIED IN WHOLE OR IN PART. IF YOU DID NOT RECEIVE A PROOF OF CLAIM FORM IN THE MAIL OR IF YOU REQUIRE ADDITIONAL FORMS, SEE THE INSTRUCTIONS BELOW, UNDER "ADDITIONAL INFORMATION," FOR OBTAINING FORMS.**

**IF YOU SUBMITTED A PROOF OF CLAIM FORM IN CONNECTION WITH THE *DOLLAR GENERAL CLASS ACTION* SETTLEMENT, AND YOU DID NOT CONDUCT ANY TRANSACTIONS IN DOLLAR GENERAL SECURITIES DURING THE RECOVERY PERIOD THAT WERE NOT INCLUDED IN THAT PROOF OF CLAIM FORM, YOU SHOULD NOT SUBMIT ANOTHER PROOF OF CLAIM FORM.**

**IF YOUR CLAIM WAS APPROVED IN THE *DOLLAR GENERAL CLASS ACTION*, YOU MAY LOG ONTO THE SEC FAIR FUND'S WEBSITE – [WWW.DOLLARGENERALSECSETTLEMENT.COM](http://WWW.DOLLARGENERALSECSETTLEMENT.COM) – USING THE LOG ON INFORMATION PROVIDED TO VIEW YOUR APPROVED TRANSACTIONS OR ADD ADDITIONAL TRANSACTIONS TO YOUR CLAIM.**

**IF, BASED ON THE PRECEDING PARAGRAPHS, YOU ARE REQUIRED TO SUBMIT A PROOF OF CLAIM FORM TO PARTICIPATE IN THE SEC FAIR FUND, IT MUST BE MAILED TO THE ADDRESS BELOW AND POSTMARKED BY APRIL 2, 2011. IF YOU ARE REQUIRED TO BUT FAIL TO TIMELY SUBMIT A COMPLETED PROOF OF CLAIM FORM, YOU WILL BE BARRED FROM RECEIVING A PAYMENT FROM THE SEC FAIR FUND. THE PROOF OF CLAIM FORM MUST BE ACCOMPANIED BY APPROPRIATE SUPPORTING DOCUMENTS.**

If you submit a Proof of Claim Form that fails to provide all required information, or is otherwise deficient, you may receive a Claim Deficiency Notice that advises you of the reason or reasons why your claim is deficient and of the opportunity to cure such deficiency.

**VI. Claims Determination.**

Within 150 days of the Claims Bar Date, the Distribution Agent shall mail a notice advising each claimant of the determination concerning such claim. If a claim is denied in whole or in part, the Distribution Agent will state the reason or reasons for such denial.

All determinations of the Distribution Agent that are made in accordance with the Distribution Plan shall be final and not subject to appeal.

**VII. Instructions for Submitting a Proof of Claim Form.**

**IF, BASED ON THE INSTRUCTIONS DESCRIBED ABOVE, YOU ARE REQUIRED TO SUBMIT A PROOF OF CLAIM FORM TO PARTICIPATE IN THE SEC FAIR FUND, YOU MUST COMPLETE AND SIGN THE PROOF OF CLAIM FORM AND SUBMIT IT TO THE DISTRIBUTION AGENT SO THAT IT IS POSTMARKED NO LATER THAN APRIL 2, 2011 AND RECEIVED AT THE ADDRESS LISTED BELOW, IN ORDER TO BE ELIGIBLE TO RECOVER FROM THE SEC FAIR FUND:**

**SEC/Dollar General Fair Fund  
c/o The Garden City Group, Inc.  
P.O. Box 9513  
Dublin, OH 43017-4813  
1-866-291-4517**

You also may submit your SEC Fair Fund Proof of Claim form online by visiting the SEC Fair Fund website, [www.dollargeneralsecsettlement.com](http://www.dollargeneralsecsettlement.com), and following the instructions for online claims filing. Online Proof of Claim forms also must be received by the Distribution Agent by April 2, 2011.

If you submitted a proof of claim form to participate in the *Dollar General Class Action* settlement and you wish to update the information included in that proof of claim form, you may do so by writing to the Distribution Agent at the address listed immediately above (please include your *Dollar General Class Action* claim number in all such correspondence), or you may visit the SEC Fair Fund website, [www.dollargeneralsecsettlement.com](http://www.dollargeneralsecsettlement.com), and follow the instructions for updating *Dollar General Class Action* proofs of claim.

**VIII. Other Claims.**

**Upon receipt and acceptance of a distribution from the SEC Fair Fund, you shall be deemed to have released any claims you may have against the Distribution Agent and its employees and agents. By participating in the distribution of the SEC Fair Fund, you will not be releasing any rights or claims you may have against any other party, including, but not limited to, Dollar General and Dollar General's past and present directors, officers, advisors and agents.**

**Additional Information**

Additional information regarding the SEC Fair Fund may be found at the Fair Fund website, [www.dollargeneralsecsettlement.com](http://www.dollargeneralsecsettlement.com). Additional Proof of Claim Forms and Distribution Plan Notices may also be downloaded at the SEC Fair Fund website. You may also obtain additional information or request copies of forms and notices by calling the SEC Fair Fund toll-free hotline at 1(866) 291-4517 in the United States, or by email at [Questions@dollargeneralsecsettlement.com](mailto:Questions@dollargeneralsecsettlement.com).