UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. LINCOLN NATIONAL CORPORATION, ELLEN COOPER, DENNIS GLASS, and RANDAL FREITAG Defendants.	Case No. **CLASS ACTION COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS** **DEMAND FOR JURY TRIAL**

Plaintiff (“Plaintiff”), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Lincoln National Corporation (“Lincoln National” or the “Company”) with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by Lincoln National; and (c) review of other publicly available information concerning Lincoln National.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Lincoln National securities between November 4, 2020 and November 2, 2022, inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Lincoln National is a holding company which operates multiple insurance and retirement businesses through subsidiary companies. The Company provides products and services and reports results through four segments: Annuities, Life Insurance, Group Protection, and Retirement Plan Services. Through its business segments, the Company sells a range of wealth accumulation, wealth protection, group protection and retirement income products and solutions. “Lincoln Financial Group” is the marketing name for Lincoln National and its subsidiary companies. The Life Insurance segment’s book of business includes universal life insurance (“UL”), variable universal life insurance (“VUL”) and indexed universal life insurance (“IUL”)

products, some of which include secondary guarantees. In the Life Insurance segment, profitability is driven by mortality margins, investment margins, expenses and surrender fees.[1]

3. On November 2, 2022, after the market closed, Lincoln National released its third quarter 2022 financial results, reporting a net loss of $2.6 billion for the quarter. This was compared to a net income of $318 million for the third quarter of 2021 the previous year. The Company explained "[t]he current quarter's adjusted operating results included net unfavorable notable items of $2.0 billion, or $11.62 per share, related to the company's annual review of DAC and reserve assumptions." The Company also disclosed that it "incurred a $634 million goodwill impairment to the life insurance business."

4. On this news, Lincoln's stock price fell $17.27, or 33.2%, to close at $34.83 per share on November 3, 2022, on unusually heavy trading volume.

5. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that the Company was experiencing a decline in its VUL business; (2) that, as a result, the goodwill associated with the life insurance business was overstated; (3) that, as a result, the Company's policy lapse assumptions were outdated; (4) that, as a result, the Company's reserves were overstated; (5) that, as a result, the Company's reported financial results and financial statements were misstated; and (6) that, as a result of the foregoing, Defendants' positive statements about

[1] In general, a company selling Guaranteed Universal Life Insurance will use the premiums paid by policy holders, net of expense loads and charges received, to invest in either a general account investment, and the returns are utilized to pay the later claim, with crediting rates are typically subject to guaranteed minimums specified in the underlying life insurance contract.

the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

6. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

7. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. In addition, the Company's principal executive offices are in this District.

10. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

11. Plaintiff , as set forth in the accompanying certification, incorporated by reference herein, purchased Lincoln National securities during the Class Period,

and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

12. Defendant Lincoln National is incorporated under the laws of Indiana with its principal executive offices located in Radnor, Pennsylvania. Lincoln National's common stock trades on the New York Stock Exchange under the symbol "LNC."

13. Defendant Ellen Cooper ("Cooper") has been the Company's Chief Executive Officer ("CEO") since May 27, 2022.

14. Defendant Dennis Glass ("Glass") was the Company's CEO from July 2007 until May 27, 2022.

15. Defendant Randal Freitag ("Freitag") was the Company's Chief Financial Officer ("CFO") at all relevant times.

16. Defendants Cooper, Glass, and Freitag (together, the "Individual Defendants"), because of their positions with the Company, possessed the power and authority to control the contents of the Company's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. The Individual Defendants were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

SUBSTANTIVE ALLEGATIONS

Background

17. Lincoln National is a holding company which operates multiple insurance and retirement businesses through subsidiary companies. The Company provides products and services and reports results through four segments: Annuities, Life Insurance, Group Protection, and Retirement Plan Services. Through its business segments, the Company sells a range of wealth accumulation, wealth protection, group protection and retirement income products and solutions. "Lincoln Financial Group" is the marketing name for Lincoln National and its subsidiary companies. The Life Insurance segment's book of business includes universal life insurance, variable universal life insurance, and indexed universal life insurance products, some of which include secondary guarantees. In the Life Insurance segment, profitability is driven by mortality margins, investment margins, expenses and surrender fees.

Materially False and Misleading Statements Issued During the Class Period

18. The Class Period begins on November 4, 2020. On that day, the Company issued a press release announcing its financial results for the the third quarter of fiscal year 2020 (the "3Q20 Press Release"), which reported, in relevant part, that the Company had undergone a review of its reserve assumptions, and as a result:[2]

> The current quarter's adjusted operating results included net unfavorable notable items of $552 million, or $2.84 per share, primarily related to the company's annual review of DAC and reserve assumptions. The prior-year quarter included net unfavorable notable items of $403 million, or $2.00 per share, related to the company's annual review of DAC and reserve assumptions.

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[2] Unless otherwise stated, all emphasis in bold and italics hereinafter is added.

Life Insurance expense ratio improved 40 basis points

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Total Life Insurance in-force of $878 billion grew 10% over the prior-year quarter, and average account values of $55 billion increased 5% over the same period.

The current quarter included net unfavorable notable items of $440 million related to the company's annual review of DAC and reserve assumptions while prior year results included net unfavorable notable items of $320 million related to the company's annual review of DAC and reserve assumptions.

19. The 3Q20 Press Release summarized the Company's quarterly financial results:

	As of or For the Quarter Ended September 30,		As of or For the Nine Months Ended September 30,	
(in millions, except per share data)	**2020**	**2019**	**2020**	**2019**
Net Income (Loss)	$ **398**	$ (161)	$ **356**	$ 454
Net Income (Loss) Available to Common Stockholders	**393**	(164)	**340**	454
Net Income (Loss) per Diluted Share Available to Common Stockholders[1]	**2.01**	(0.83)	**1.74**	2.24
Revenues	**5,361**	4,638	**13,303**	12,913
Adjusted Income (Loss) from Operations	**(133)**	(46)	**519**	873
Adjusted Income (Loss) from Operations per Diluted Share Available to Common Stockholders	**(0.72)**	(0.25)	**2.57**	4.30
Average Diluted Shares	**195.4**	201.6	**195.9**	203.1
Return on Equity (ROE), Including Accumulated Other Comprehensive Income (AOCI) (Net Income)	**7.5%**	-3.4%	**2.5%**	3.5%
Adjusted Operating ROE, Excluding AOCI (Income from Operations)	**-3.9%**	-1.3%	**5.1%**	8.3%
Book Value per Share, Including AOCI	$ **111.51**	$ 100.84	$ **111.51**	$ 100.84
Book Value per Share, Excluding AOCI	**71.10**	69.33	**71.10**	69.33

[1] Due to reporting a net loss for the three months ended September 30, 2019 and an adjusted loss from operations for the three months ended September 30, 2019 and September 30, 2020, basic shares were used in the diluted EPS and adjusted diluted EPS calculations for those periods as the use of diluted shares would have resulted in a lower loss per share.

20. The 3Q20 Press Release reported, in relevant part, the following concerning the Company's goodwill:

Average Stockholders' Equity	
Average equity, including average AOCI	**$ 21,140**
Average AOCI	**7,566**
Average equity, excluding AOCI	**13,574**
Average goodwill	**1,778**
Average equity, excluding AOCI and goodwill	**$ 11,796**
Return on Equity, Including AOCI	
Net income (loss) with average equity including goodwill	**7.5%**
Adjusted Operating Return on Equity, Excluding AOCI	
Adjusted income (loss) from operations with average equity including goodwill	**-3.9%**
Adjusted income (loss) from operations with average equity excluding goodwill	**-4.5%**

21. On November 5, 2020, the Company submitted its quarterly report for the quarter ended September 30, 2020 on a Form 10-Q filed with the SEC (the "3Q20 10-Q"). The 3Q20 10-Q reported, in relevant part, the following concerning the Company's results from the life insurance segment, including benefits, in millions:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2019	2020	2019
Operating Revenues				
Insurance premiums (1)	$ 223	$ 219	$ 676	$ 656
Fee income	1,141	1,275	2,865	2,985
Net investment income	761	601	2,035	1,952
Operating realized gain (loss) (2)	-	(1)	(5)	(5)
Amortization of deferred gain on business sold through reinsurance	3	-	9	-
Other revenues	(1)	4	7	12
Total operating revenues	2,127	2,098	5,587	5,600
Operating Expenses				
Interest credited	369	360	1,116	1,069
Benefits	1,428	1,426	3,465	3,240
Commissions and other expenses	730	630	1,250	1,206
Total operating expenses	2,527	2,416	5,831	5,515
Income (loss) from operations before taxes	(400)	(318)	(244)	85
Federal income tax expense (benefit)	(89)	(73)	(67)	6
Income (loss) from operations	$ (311)	$ (245)	$ (177)	$ 79

(1) Includes term insurance premiums, which have a corresponding partial offset in benefits for changes in reserves.
(2) See "Realized Gain (Loss) and Benefit Ratio Unlocking" below.

22. The 3Q20 10-Q reported the following concerning the Company's policies regarding reserves, excerpted in relevant part:

> ***We calculate the value of the benefit reserves and the embedded derivative reserves based on the specific characteristics of each guaranteed living benefit ("GLB") feature.***
>
> ***We use a hedging strategy designed to mitigate the risk and income statement volatility*** caused by changes in the equity markets, interest rates ***and volatility associated with GLBs offered in our variable annuity products, including products with guaranteed withdrawal benefit and guaranteed income benefit features.*** Changes in the value of the hedge contracts due to changes in equity markets, interest rates and implied volatilities hedge the income statement effect of changes in embedded derivative GLB reserves caused by those same factors. ***We rebalance our hedge positions based upon changes in these factors as needed.***

23. The 3Q20 10-Q reported that the Company uses an "ongoing valuation process" during which it "assess the reasonableness of our valuation techniques or models and ***make adjustments as necessary***" using a "***mortality rate [] based on a combination of company and industry experience, adjusted for improvement factors***" to calculate the "components of the transfers into and out" certain "changes in unrealized gains (losses) included in net income, excluding any effect of amortization of DAC, VOBA, DSI and DFEL and ***changes in future contract benefits, related to financial instruments carried at fair value.***" The Company provides, as a result, the following summary of the "fair value (in millions), valuation techniques and significant unobservable inputs of the Level 3 fair value measurements as of September 30, 2020" in relevant part:

Liabilities								
Future contract benefits – indexed annuity and IUL contracts embedded derivatives	$	(2,688)	Discounted cash flow	Lapse rate (3)	0%	-	9%	(10)
				Mortality rate (7)		(9)		(10)
Other liabilities – GLB direct embedded derivatives		(1,106)	Discounted cash flow	Long-term lapse rate (3)	1%	-	30%	(10)
				Utilization of guaranteed withdrawals (4)	85%	-	100%	94%
				Claims utilization factor (5)	60%	-	100%	(10)
				Premiums utilization factor (5)	80%	-	115%	(10)
				NPR (6)	0.13%	-	1.62%	1.13%
				Mortality rate (7)		(9)		(10)
				Volatility (8)	1%	-	28%	14.28%

(1) Unobservable inputs were weighted by the relative fair value of the instruments, unless otherwise noted.

(2) The liquidity/duration adjustment input represents an estimated market participant composite of adjustments attributable to liquidity premiums, expected durations, structures and credit quality that would be applied to the market observable information of an investment.

(3) The lapse rate input represents the estimated probability of a contract surrendering during a year, and thereby forgoing any future benefits. The range for indexed annuity and IUL contracts represents the lapse rates during the surrender charge period.

(4) The utilization of guaranteed withdrawals input represents the estimated percentage of contract holders that utilize the guaranteed withdrawal feature.

(5) The utilization factors are applied to the present value of claims or premiums, as appropriate, in the GLB reserve calculation to estimate the impact of inefficient withdrawal behavior, including taking less than or more than the maximum guaranteed withdrawal.

(6) The NPR input represents the estimated additional credit spread that market participants would apply to the market observable discount rate when pricing a contract. The NPR input was weighted by the absolute value of the sensitivity of the reserve to the NPR assumption.

(7) The mortality rate input represents the estimated probability of when an individual belonging to a particular group, categorized according to age or some other factor such as gender, will die.

(8) The volatility input represents overall volatilities assumed for the underlying variable annuity funds, which include a mixture of equity and fixed-income assets. Fair value of the variable annuity GLB embedded derivatives would increase if higher volatilities were used for valuation. Volatility assumptions vary by fund due to the benchmarking of different indices. The volatility input was weighted by the relative account value assigned to each index.

(9) The mortality rate is based on a combination of company and industry experience, adjusted for improvement factors.

(10) A weighted average input range is not a meaningful measurement for lapse rate, utilization factors or mortality rate.

24. The 3Q20 10-Q was signed and certified by Defendant Freitag as Executive Vice President and CFO, and Defendant Glass as President and CEO, pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

25. On February 3, 2021, the Company issued a press release announcing its financial results for the quarter and full year ended December 31, 2020, which reported the Company's financial results as summarized in relevant part:

	As of or For the Three Months Ended December 31,		As of or For the Year Ended December 31,	
(in millions, except per share data)	**2020**	**2019**	**2020**	**2019**
Net Income (Loss)	$ **143**	$ 431	$ **499**	$ 886
Net Income (Loss) Available to Common Stockholders	**143**	430	**499**	886
Net Income (Loss) per Diluted Share Available to Common Stockholders	**0.74**	2.15	**2.56**	4.38
Revenues	**4,135**	4,344	**17,439**	17,258
Adjusted Income (Loss) from Operations	**346**	482	**865**	1,355
Adjusted Income (Loss) from Operations per Diluted Share Available to Common Stockholders	**1.78**	2.41	**4.45**	6.71
Average Diluted Shares	**193.9**	200.0	**195.8**	202.1
Return on Equity (ROE), Including Accumulated Other Comprehensive Income (AOCI) (Net Income)	**2.6%**	8.7%	**2.5%**	4.9%
Adjusted Operating ROE, Excluding AOCI (Income from Operations)	**10.1%**	13.9%	**6.3%**	9.7%
Book Value per Share, Including AOCI	$ **118.02**	$ 100.11	$ **118.02**	$ 100.11
Book Value per Share, Excluding AOCI	**71.59**	71.27	**71.59**	71.27

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> ***Life Insurance expense ratio improved 140 basis points compared to the prior-year quarter and 60 basis points for the full year***

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> Life Insurance reported income from operations of $144 million compared to $179 million in the prior-year quarter as ***favorable returns within the company's alternative investment portfolio and expense management were more than offset by unfavorable mortality related to the pandemic***.

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Average Stockholders' Equity		
Average equity, including average AOCI	$	22,124
Average AOCI		8,370
Average equity, excluding AOCI		13,754
Average goodwill		1,778
Average equity, excluding AOCI and goodwill	$	11,976
Return on Equity, Including AOCI		
Net income (loss) with average equity including goodwill		2.6%
Adjusted Operating Return on Equity, Excluding AOCI		
Adjusted income (loss) from operations with average equity including goodwill		10.1%
Adjusted income (loss) from operations with average equity excluding goodwill		11.6%

26. On February 18, 2021, the Company submitted its annual report for the fiscal year ended December 31, 2020 on a Form 10-K filed with the SEC (the "FY20 10-K"). The FY20 10-K reported, in relevant part, the following concerning the Company's valuation of goodwill and other intangible assets:

> ***Goodwill and intangible assets with indefinite lives are not amortized, but are reviewed for impairment annually as of October 1 and more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value***. Intangibles that do not have indefinite lives are amortized over their estimated useful lives. ***We perform a quantitative goodwill impairment test where the fair value of the reporting unit is determined and compared to the carrying value of the reporting unit. If the carrying value of the reporting unit exceeds the reporting unit's fair value, goodwill is impaired and written down to the reporting unit's fair value.*** The results of one test on one reporting unit cannot subsidize the results of another reporting unit. For the purposes of the evaluation of the carrying value of goodwill, our reporting units (Annuities, Retirement Plan Services, Life Insurance and Group Protection) correspond with our reporting segments.
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> As of October 1, 2020 and 2019, ***we performed our annual quantitative goodwill impairment test for our reporting units, and, as of each such date, the fair value was in excess of each reporting unit's carrying value for Annuities, Retirement Plan Services, Life Insurance and Group Protection***.

27. The FY20 10-K reported the following concerning the Company's Goodwill and Specifically Identifiable Intangible Assets:

	For the Year Ended December 31, 2020				
	Gross Goodwill as of Beginning-of-Year	Accumulated Impairment as of Beginning-of-Year	Acquisition Accounting Adjustments	Impairment	Net Goodwill as of End-of-Year
Annuities	$ 1,040	$ (600)	$ -	$ -	$ 440
Retirement Plan Services	20	-	-	-	20
Life Insurance	2,188	(1,554)	-	-	634
Group Protection	684	-	-	-	684
Total goodwill	$ 3,932	$ (2,154)	$ -	$ -	$ 1,778

28. The FY20 10-K reported that the Company's Life Insurance segment held $7,383 million in DAC (deferred acquisition costs) and VOBA (value of business acquired) gross, and $5,660 million in unrealized gain on the same, for a carrying value of $1,723 million.

29. The FY20 10-K further reported the Company's policies regarding the review and accounting of deferred acquisition costs:

> ***[W]e conduct our annual comprehensive review of the assumptions and projection models underlying the amortization of DAC, VOBA, DSI, DFEL, embedded derivatives and reserves for life insurance and annuity products in the third quarter of each year.*** We may have unlocking in other quarters as we become aware of information that warrants updating assumptions outside of our annual comprehensive review.

30. The FY20 10-K also reported, the Company's policies regarding reserves, stating in relevant part:

> ***The assumptions on which reserves are based are intended to represent an estimation of experience for the period that policy benefits are payable. If actual experience is better than or equal to the assumptions, then reserves should be adequate to provide for future benefits and expenses. If experience is worse than the assumptions, additional reserves may be required. This would result in a charge to our net income during the period the increase in reserves occurred.*** The key experience assumptions include mortality rates, policy persistency and interest rates. We periodically review our experience and update our policy reserves for new issues and reserve for all claims incurred, as we believe appropriate.

31. The FY20 10-K was signed and certified by Defendant Freitag as Executive Vice President and CFO, and Defendant Glass as President and CEO pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

32. On May 5, 2021, the Company issued a press release announcing its financial results for the first quarter of fiscal year 2020, which reported the Company's results, summarized in relevant part:

	As of or For the Three Months Ended March 31,	
(in millions, except per share data)	**2021**	**2020**
Net Income (Loss)	$ **225**	$ 52
Net Income (Loss) Available to Common Stockholders	**225**	29
Net Income (Loss) per Diluted Share Available to Common Stockholders	**1.16**	0.15
Revenues	**4,534**	4,425
Adjusted Income (Loss) from Operations	**350**	465
Adjusted Income (Loss) from Operations per Diluted Share Available to Common Stockholders	**1.82**	2.24
Average Diluted Shares	**193.1**	197.3
Return on Equity (ROE), Including Accumulated Other Comprehensive Income (AOCI) (Net Income)	**4.3%**	1.1%
Adjusted Operating ROE, Excluding AOCI (Adjusted Income from Operations)	**10.2%**	13.5%
Book Value per Share, Including AOCI	$ **102.50**	$ 85.79
Book Value per Share, Excluding AOCI	**72.36**	70.24

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Life Insurance average in-force face amount of $901 billion, up 8%

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Life Insurance reported income from operations of $107 million compared to $171 million in the prior-year quarter as ***pandemic-related mortality was partially offset by favorable returns within the company's alternative investment portfolio and expense management.***

Total Life Insurance sales were $114 million compared to $169 million in the prior-year quarter, however sales were in line with the prior quarter.

Average Life Insurance in-force of $901 billion grew 8% over the prior-year quarter, and average account values of $58 billion increased 10% over the same period.

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Average Stockholders' Equity		
Average equity, including average AOCI	**$**	**21,146**
Average AOCI		**7,346**
Average equity, excluding AOCI		**13,800**
Average goodwill		**1,778**
Average equity, excluding AOCI and goodwill	**$**	**12,022**
Return on Equity, Including AOCI		
Net income (loss) with average equity including goodwill		**4.3%**
Adjusted Operating Return on Equity, Excluding AOCI		
Adjusted income (loss) from operations with average equity including goodwill		**10.2%**
Adjusted income (loss) from operations with average equity excluding goodwill		**11.6%**

33. On May 6, 2021, the Company submitted its quarterly report for the quarter ended March 31, 2020 on a Form 10-Q filed with the SEC (the "1Q21 10-Q"). The 1Q21 10-Q reported, in relevant part, the following concerning the Company's results from the life insurance segment, including benefits, in millions:

	For the Three Months Ended March 31,	
	2021	2020
Operating Revenues		
Insurance premiums [(1)]	$ 253	$ 224
Fee income	867	893
Net investment income	809	697
Operating realized gain (loss) [(2)]	(2)	(3)
Amortization of deferred gain on business sold through reinsurance	3	3
Other revenues	9	7
Total operating revenues	1,939	1,821
Operating Expenses		
Interest credited	370	371
Benefits	1,173	954
Commissions and other expenses	266	287
Total operating expenses	1,809	1,612
Income (loss) from operations before taxes	130	209
Federal income tax expense (benefit)	23	38
Income (loss) from operations	$ 107	$ 171

(1) Includes term insurance premiums, which have a corresponding partial offset in benefits for changes in reserves.
(2) See "Realized Gain (Loss)" below.

34. The 1Q21 10-Q reported, in substantially similar terms as prior quarters, including the 3Q20 10-Q herein quoted, the Company's policies regarding reserves and hedging.

35. The 1Q21 10-Q reported, in substantially similar terms as prior quarters, including the 3Q20 10-Q herein quoted, the Company's use of a "mortality rate [] based on a combination of company and industry experience, adjusted for improvement factors" reporting in relevant part:

Liabilities					
Future contract benefits – indexed annuity contract embedded derivatives	$ (4,107)	Discounted cash flow	Lapse rate [3]	0% - 9%	[10]
			Mortality rate [7]	[9]	[10]
Other liabilities – GLB ceded embedded derivatives	(152)	Discounted cash flow	Long-term lapse rate [3]	1% - 30%	[10]
			Utilization of guaranteed withdrawals [4]	85% - 100%	94%
			Claims utilization factor [5]	60% - 100%	[10]
			Premiums utilization factor [5]	80% - 115%	[10]
			NPR [6]	0.07% - 1.43%	0.95%
			Mortality rate [7]	[9]	[10]
			Volatility [8]	1% - 28%	14.71%

(1) Unobservable inputs were weighted by the relative fair value of the instruments, unless otherwise noted.

(2) The liquidity/duration adjustment input represents an estimated market participant composite of adjustments attributable to liquidity premiums, expected durations, structures and credit quality that would be applied to the market observable information of an investment.

(3) The lapse rate input represents the estimated probability of a contract surrendering during a year, and thereby forgoing any future benefits. The range for indexed annuity contracts represents the lapse rates during the surrender charge period.

(4) The utilization of guaranteed withdrawals input represents the estimated percentage of contract holders that utilize the guaranteed withdrawal feature.

(5) The utilization factors are applied to the present value of claims or premiums, as appropriate, in the GLB reserve calculation to estimate the impact of inefficient withdrawal behavior, including taking less than or more than the maximum guaranteed withdrawal.

(6) The NPR input represents the estimated additional credit spread that market participants would apply to the market observable discount rate when pricing a contract. The NPR input was weighted by the absolute value of the sensitivity of the reserve to the NPR assumption.

(7) The mortality rate input represents the estimated probability of when an individual belonging to a particular group, categorized according to age or some other factor such as gender, will die.

(8) The volatility input represents overall volatilities assumed for the underlying variable annuity funds, which include a mixture of equity and fixed-income assets. Fair value of the variable annuity GLB embedded derivatives would increase if higher volatilities were used for valuation. Volatility assumptions vary by fund due to the benchmarking of different indices. The volatility input was weighted by the relative account value assigned to each index.

(9) The mortality rate is based on a combination of company and industry experience, adjusted for improvement factors.

(10) A weighted average input range is not a meaningful measurement for lapse rate, utilization factors or mortality rate.

36. The 1Q21 10-Q was signed and certified by Defendant Freitag as Executive Vice President and CFO, and Defendant Glass as President and CEO pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

37. On August 4, 2021, the Company issued a press release announcing its financial results the second quarter of fiscal year 2020, which reported the Company's financial results, summarized in relevant part:

(in millions, except per share data)	As of or For the Three Months Ended June 30, 2021		As of or For the Three Months Ended June 30, 2020		As of or For the Six Months Ended June 30, 2021		As of or For the Six Months Ended June 30, 2020
Net Income (Loss)	$	**642**	$	(94)	$	**867**	$ (42)
Net Income (Loss) Available to Common Stockholders		**642**		(94)		**867**	(52)
Net Income (Loss) per Diluted Share Available to Common Stockholders[1]		**3.34**		(0.49)		**4.51**	(0.27)
Revenues		**4,851**		3,517		**9,386**	7,942
Adjusted Income (Loss) from Operations		**608**		187		**959**	652
Adjusted Income (Loss) from Operations per Diluted Share Available to Common Stockholders		**3.17**		0.97		**4.98**	3.27
Average Diluted Shares		**192.2**		193.8		**192.4**	196.2
Return on Equity (ROE), Including Accumulated Other Comprehensive Income (AOCI) (Net Income)		**12.4%**		-2.0%		**8.3%**	-0.5%
Adjusted Operating ROE, Excluding AOCI (Adjusted Income from Operations)		**17.3%**		5.5%		**13.8%**	9.6%
Book Value per Share (BVPS), Including AOCI	$	**115.00**	$	107.28	$	**115.00**	$ 107.28
Book Value per Share, Excluding AOCI		**75.45**		69.38		**75.45**	69.38

[1] Due to reporting a net loss for the three months ended June 30, 2020 and six months ended June 30, 2020, basic shares were used in the diluted EPS and adjusted diluted EPS calculations for those periods as the use of diluted shares would have resulted in a lower loss per share.

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Life Insurance average account values of $59 billion, up 12%

* * *

Life Insurance reported income from operations of $255 million compared to a loss from operations of $(37) million in the prior-year quarter ***driven by favorable returns within the company's alternative investment portfolio and improved mortality results as pandemic impacts have declined.***

Total Life Insurance sales were $126 million compared to $159 million in the prior-year quarter, however sales increased 11% sequentially.

Average Life Insurance in-force of $917 billion grew 7% over the prior-year quarter, and average account values of $59 billion increased 12% over the same period.

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Average Stockholders' Equity		
Average equity, including average AOCI	$	20,669
Average AOCI		6,620
Average equity, excluding AOCI		14,049
Average goodwill		1,778
Average equity, excluding AOCI and goodwill	$	12,271
Return on Equity, Including AOCI		
Net income (loss) with average equity including goodwill		12.4%
Adjusted Operating Return on Equity, Excluding AOCI		
Adjusted income (loss) from operations with average equity including goodwill		17.3%
Adjusted income (loss) from operations with average equity excluding goodwill		19.8%

38. On August 5, 2021, the Company submitted its quarterly report for the quarter ended June 30, 2021 on a Form 10-Q filed with the SEC (the "2Q20 10-Q"). The 2Q20 10-Q reported, in relevant part, the following concerning the Company's results from the life insurance segment, including benefits, in millions:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Operating Revenues				
Insurance premiums [1]	$ 258	$ 230	$ 511	$ 454
Fee income	915	830	1,783	1,723
Net investment income	852	577	1,661	1,274
Operating realized gain (loss) [2]	(2)	(2)	(4)	(5)
Amortization of deferred gain on business sold through reinsurance	3	3	5	6
Other revenues	3	1	12	8
Total operating revenues	2,029	1,639	3,968	3,460
Operating Expenses				
Interest credited	372	375	742	746
Benefits	999	1,084	2,172	2,037
Commissions and other expenses	341	232	607	520
Total operating expenses	1,712	1,691	3,521	3,303
Income (loss) from operations before taxes	317	(52)	447	157
Federal income tax expense (benefit)	62	(15)	85	23
Income (loss) from operations	$ 255	$ (37)	$ 362	$ 134

[1] Includes term insurance premiums, which have a corresponding partial offset in benefits for changes in reserves.

[2] See "Realized Gain (Loss)" below.

39. The 2Q20 10-Q reported, in substantially similar terms as prior quarters, including the 3Q20 10-Q herein quoted, the Company's policies regarding reserves and hedging.

40. The 2Q20 10-Q reported, in substantially similar terms as prior quarters, including the 3Q20 10-Q herein quoted, the Company's use of a "mortality rate [] based on a combination of company and industry experience, adjusted for improvement factors" and reported in relevant part:

Liabilities					
Other liabilities –					
GLB ceded embedded derivatives	(152)	Discounted cash flow	Long-term lapse rate (3)	1% - 30%	(10)
			Utilization of guaranteed withdrawals (4)	85% - 100%	94%
			Claims utilization factor (5)	60% - 100%	(10)
			Premiums utilization factor (5)	80% - 115%	(10)
			NPR (6)	0.06% - 1.37%	0.90%
			Mortality rate (7)	(9)	(10)
			Volatility (8)	1% - 28%	14.52%

(1) Unobservable inputs were weighted by the relative fair value of the instruments, unless otherwise noted.

(2) The liquidity/duration adjustment input represents an estimated market participant composite of adjustments attributable to liquidity premiums, expected durations, structures and credit quality that would be applied to the market observable information of an investment.

(3) The lapse rate input represents the estimated probability of a contract surrendering during a year, and thereby forgoing any future benefits.

(4) The utilization of guaranteed withdrawals input represents the estimated percentage of contract holders that utilize the guaranteed withdrawal feature.

(5) The utilization factors are applied to the present value of claims or premiums, as appropriate, in the GLB reserve calculation to estimate the impact of inefficient withdrawal behavior, including taking less than or more than the maximum guaranteed withdrawal.

(6) The NPR input represents the estimated additional credit spread that market participants would apply to the market observable discount rate when pricing a contract. The NPR input was weighted by the absolute value of the sensitivity of the reserve to the NPR assumption.

(7) The mortality rate input represents the estimated probability of when an individual belonging to a particular group, categorized according to age or some other factor such as gender, will die.

(8) The volatility input represents overall volatilities assumed for the underlying variable annuity funds, which include a mixture of equity and fixed-income assets. Fair value of the variable annuity GLB embedded derivatives would increase if higher volatilities were used for valuation. Volatility assumptions vary by fund due to the benchmarking of different indices. The volatility input was weighted by the relative account value assigned to each index.

(9) The mortality rate is based on a combination of company and industry experience, adjusted for improvement factors.

(10) A weighted average input range is not a meaningful measurement for lapse rate, utilization factors or mortality rate.

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41. The 2Q20 10-Q was signed and certified by Defendant Freitag as Executive Vice President and CFO, and Defendant Glass as President and CEO pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

42. On November 3, 2021, the Company issued a press release announcing its financial results for the fiscal third quarter of 2021, which reported the Company's financial results, summarized in relevant part:

(in millions, except per share data)	As of or For the Three Months Ended September 30, 2021	As of or For the Three Months Ended September 30, 2020	As of or For the Nine Months Ended September 30, 2021	As of or For the Nine Months Ended September 30, 2020
Net Income (Loss)	$ **318**	$ 398	$ **1,185**	$ 356
Net Income (Loss) Available to Common Stockholders	**318**	393	**1,185**	340
Net Income (Loss) per Diluted Share Available to Common Stockholders	**1.68**	2.01	**6.19**	1.74
Revenues	**5,241**	5,361	**14,627**	13,303
Adjusted Income (Loss) from Operations	**307**	(133)	**1,265**	519
Adjusted Income (Loss) from Operations per Diluted Share Available to Common Stockholders [1]	**1.62**	(0.72)	**6.62**	2.57
Average Diluted Shares	**189.1**	195.4	**191.3**	195.9
Return on Equity (ROE), Including Accumulated Other Comprehensive Income (AOCI) (Net Income)	**5.9%**	7.5%	**7.5%**	2.5%
Adjusted Operating ROE, Excluding AOCI (Adjusted Income from Operations)	**8.6%**	-3.9%	**12.0%**	5.1%
Book Value per Share (BVPS), Including AOCI	$ **113.77**	$ 111.51	$ **113.77**	$ 111.51
Book Value per Share, Excluding AOCI	**76.96**	71.10	**76.96**	71.10

[1] Due to reporting an adjusted loss from operations for the three months ended September 30, 2020, basic shares were used in the adjusted diluted EPS calculation for that period as the use of diluted shares would have resulted in a lower loss per share.

* * *

Life Insurance average account values of $60 billion, up 9%

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Life Insurance reported income from operations of $93 million compared to a loss from operations of $(311) million in the prior-year quarter. Impacts from the company's annual review of DAC and reserve assumptions were unfavorable in both periods, and the current quarter also included a legal expense. Not including the impacts from the company's annual reviews of DAC and reserve assumptions and the legal expense, income from operations increased from the prior-year period driven by favorable returns within the company's alternative investment portfolio, which were partially offset by unfavorable mortality results.

While total Life Insurance sales were $166 million compared to $186 million in the prior-year quarter, sales increased 32% sequentially.

Average Life Insurance in-force of $935 billion grew 7% over the prior-year quarter, and average account values of $60 billion increased 9% over the same period.

The current quarter included net unfavorable notable items of $45 million related to the company's annual review of DAC and reserve assumptions and legal expenses while prior-year results included net unfavorable notable items of $440 million related to the company's annual review of DAC and reserve assumptions.

* * *

Average Stockholders' Equity	
Average equity, including average AOCI	**$ 21,458**
Average AOCI	**7,164**
Average equity, excluding AOCI	**14,294**
Average goodwill	**1,778**
Average equity, excluding AOCI and goodwill	**$ 12,516**
Return on Equity, Including AOCI	
Net income (loss) with average equity including goodwill	**5.9%**
Adjusted Operating Return on Equity, Excluding AOCI	
Adjusted income (loss) from operations with average equity including goodwill	**8.6%**
Adjusted income (loss) from operations with average equity excluding goodwill	**9.8%**

43. On November 4, 2021, the Company submitted its quarterly report for the quarter ended September 30, 2021 on a Form 10-Q filed with the SEC (the "3Q21 10-Q"). The 3Q21 10-Q reported, in relevant part, the following concerning the Company's results from the life insurance segment, including benefits, in millions:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Operating Revenues				
Insurance premiums [1]	$ 256	$ 223	$ 767	$ 676
Fee income	1,230	1,141	3,014	2,865
Net investment income	832	761	2,493	2,035
Operating realized gain (loss) [2]	-	-	(4)	(5)
Amortization of deferred gain on business sold through reinsurance	3	3	8	9
Other revenues	4	(1)	15	7
Total operating revenues	2,325	2,127	6,293	5,587
Operating Expenses				
Interest credited	375	369	1,117	1,116
Benefits	976	1,428	3,148	3,465
Commissions and other expenses	861	730	1,468	1,250
Total operating expenses	2,212	2,527	5,733	5,831
Income (loss) from operations before taxes	113	(400)	560	(244)
Federal income tax expense (benefit)	20	(89)	105	(67)
Income (loss) from operations	$ 93	$ (311)	$ 455	$ (177)

(1) Includes term insurance premiums, which have a corresponding partial offset in benefits for changes in reserves.

(2) See "Realized Gain (Loss)" below.

44. The 3Q21 10-Q reported, in substantially similar terms as prior quarters, including the 3Q20 10-Q herein quoted, the Company's the policies regarding reserves and hedging.

45. The 3Q21 10-Q reported, in substantially similar terms as prior quarters, including the 3Q20 10-Q herein quoted, the Company's use of a "mortality rate [] based on a combination of company and industry experience, adjusted for improvement factors" effective in relevant part to show:

Liabilities							
Future contract benefits – indexed annuity contracts embedded derivatives	$	(4,758)	Discounted cash flow	Lapse rate (3)	0%	- 9%	(10)
				Mortality rate (7)		(9)	(10)
Other liabilities – GLB ceded embedded derivatives		(146)	Discounted cash flow	Long-term lapse rate (3)	1%	- 30%	(10)
				Utilization of guaranteed withdrawals (4)	85%	- 100%	94%
				Claims utilization factor (5)	60%	- 100%	(10)
				Premiums utilization factor (5)	80%	- 115%	(10)
				NPR (6)	0.08%	- 1.37%	0.93%
				Mortality rate (7)		(9)	(10)
				Volatility (8)	1%	- 28%	14.55%

(1) Unobservable inputs were weighted by the relative fair value of the instruments, unless otherwise noted.

(2) The liquidity/duration adjustment input represents an estimated market participant composite of adjustments attributable to liquidity premiums, expected durations, structures and credit quality that would be applied to the market observable information of an investment.

(3) The lapse rate input represents the estimated probability of a contract surrendering during a year, and thereby forgoing any future benefits. The range for indexed annuity contracts represents the lapse rates during the surrender charge period.

(4) The utilization of guaranteed withdrawals input represents the estimated percentage of contract holders that utilize the guaranteed withdrawal feature.

(5) The utilization factors are applied to the present value of claims or premiums, as appropriate, in the GLB reserve calculation to estimate the impact of inefficient withdrawal behavior, including taking less than or more than the maximum guaranteed withdrawal.

(6) The NPR input represents the estimated additional credit spread that market participants would apply to the market observable discount rate when pricing a contract. The NPR input was weighted by the absolute value of the sensitivity of the reserve to the NPR assumption.

(7) The mortality rate input represents the estimated probability of when an individual belonging to a particular group, categorized according to age or some other factor such as gender, will die.

(8) The volatility input represents overall volatilities assumed for the underlying variable annuity funds, which include a mixture of equity and fixed-income assets. Fair value of the variable annuity GLB embedded derivatives would increase if higher volatilities were used for valuation. Volatility assumptions vary by fund due to the benchmarking of different indices. The volatility input was weighted by the relative account value assigned to each index.

(9) The mortality rate is based on a combination of company and industry experience, adjusted for improvement factors.

(10) A weighted average input range is not a meaningful measurement for lapse rate, utilization factors or mortality rate.

46. The 3Q21 10-Q was signed and certified by Defendant Freitag as Executive Vice President and CFO, and Defendant Glass as President and CEO pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

47. On February 2, 2022, the Company issued a press release announcing its financial results for the fourth quarter and full year 2021, which reported the Company's fiscal results, summarized in relevant part:

(in millions, except per share data)	As of or For the Three Months Ended December 31, 2021		As of or For the Year Ended December 31, 2021	2020
	2021	2020	2021	2020
Net Income (Loss)	$ **220**	$ 143	$ **1,405**	$ 499
Net Income (Loss) Available to Common Stockholders	**220**	143	**1,405**	499
Net Income (Loss) per Diluted Share Available to Common Stockholders	**1.20**	0.74	**7.43**	2.56
Revenues	**4,604**	4,135	**19,230**	17,439
Adjusted Income (Loss) from Operations	**286**	346	**1,551**	865
Adjusted Income (Loss) from Operations per Diluted Share Available to Common Stockholders	**1.56**	1.78	**8.20**	4.45
Average Diluted Shares	**183.2**	193.9	**189.1**	195.8
Return on Equity (ROE), Including Accumulated Other Comprehensive Income (AOCI) (Net Income)	**4.2%**	2.6%	**6.7%**	2.5%
Adjusted Operating ROE, Excluding AOCI (Adjusted Income from Operations)	**8.1%**	10.1%	**11.0%**	6.3%
Book Value per Share (BVPS), Including AOCI	$ **114.41**	$ 118.02	$ **114.41**	$ 118.02
Book Value per Share, Excluding AOCI	**78.05**	71.59	**78.05**	71.59

* * *

Life Insurance reported income from operations of $80 million compared to $144 million in the prior-year quarter, primarily driven by ***strong returns within the company's alternative investment portfolio that were not as favorable as last year and the previously communicated $10 million impact from the block reinsurance transaction executed in the third quarter of 2021.***

* * *

Average Stockholders' Equity	
Average equity, including average AOCI	**$ 20,721**
Average AOCI	**6,645**
Average equity, excluding AOCI	**14,076**
Average goodwill	**1,778**
Average equity, excluding AOCI and goodwill	**$ 12,298**
Return on Equity, Including AOCI	
Net income (loss) with average equity including goodwill	**4.2%**
Adjusted Operating Return on Equity, Excluding AOCI	
Adjusted income (loss) from operations with average equity including goodwill	**8.1%**
Adjusted income (loss) from operations with average equity excluding goodwill	**9.3%**

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48. On August 17, 2022, the Company submitted its annual report for the fiscal year ended December 31, 2021 on a Form 10-K filed with the SEC (the "FY21 10-K"). The FY21 10-

K reported, in relevant part, the following concerning the Company's valuation of goodwill and other intangible assets:

> ***Goodwill and intangible assets with indefinite lives are not amortized, but are reviewed for impairment annually as of October 1 and more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value***. Intangibles that do not have indefinite lives are amortized over their estimated useful lives. ***We perform a quantitative goodwill impairment test where the fair value of the reporting unit is determined and compared to the carrying value of the reporting unit. If the carrying value of the reporting unit exceeds the reporting unit's fair value, goodwill is impaired and written down to the reporting unit's fair value***. The results of one test on one reporting unit cannot subsidize the results of another reporting unit. For the purposes of the evaluation of the carrying value of goodwill, our reporting units (Annuities, Retirement Plan Services, Life Insurance and Group Protection) correspond with our reporting segments.
>
> *   *   *
>
> As of October 1, 2021 and 2020, ***we performed our annual quantitative goodwill impairment test for our reporting units, and, as of each such date, the fair value was in excess of each reporting unit's carrying value for Annuities, Retirement Plan Services, Life Insurance and Group Protection***.

49. The FY21 10-K reported the following concerning the Company's Goodwill and Specifically Identifiable Intangible Assets:

	For the Year Ended December 31, 2021				
	Gross Goodwill as of Beginning-of-Year	Accumulated Impairment as of Beginning-of-Year	Acquisition Accounting Adjustments	Impairment	Net Goodwill as of End-of-Year
Annuities	$ 1,040	$ (600)	$ -	$ -	$ 440
Retirement Plan Services	20	-	-	-	20
Life Insurance	2,188	(1,554)	-	-	634
Group Protection	684	-	-	-	684
Total goodwill	$ 3,932	$ (2,154)	$ -	$ -	$ 1,778

50. The FY21 10-K reported that the Company's Life Insurance segment held $6,430 million in DAC and VOBA gross, and $4,758 million in unrealized gain on the same, for a carrying value of $1,672 million.

51. The FY21 10-K reported, in substantially similar terms as reported in FY20 10-K, the Company's policies regarding the review deferred acquisition costs, as quoted herein. The FY21 10-K also reported, in substantially similar terms as reported in FY20 10-K, the Company's policies regarding the assumption of reserves, as quoted herein.

52. The FY21 10-K was signed and certified by Defendant Freitag as Executive Vice President and CFO, and Defendant Glass as President and CEO pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

53. On May 4, 2022, the Company issued a press release announcing its financial results for the first quarter of fiscal 2022, which reported the Company's financial results, summarized in relevant part:

(in millions, except per share data)	As of or For the Three Months Ended March 31, 2022	2021
Net Income (Loss)	**$ 104**	$ 225
Net Income (Loss) Available to Common Stockholders	**103**	225
Net Income (Loss) per Diluted Share Available to Common Stockholders	**0.58**	1.16
Revenues	**4,687**	4,534
Adjusted Income (Loss) from Operations	**294**	350
Adjusted Income (Loss) from Operations per Diluted Share Available to Common Stockholders	**1.66**	1.82
Average Diluted Shares	**176.4**	193.1
Return on Equity (ROE), Including Accumulated Other Comprehensive Income (AOCI) (Net Income)	**2.4%**	4.3%
Adjusted Operating ROE, Excluding AOCI (Adjusted Income from Operations)	**8.6%**	10.2%
Book Value per Share (BVPS), Including AOCI	**$ 85.59**	$ 102.50
Book Value per Share, Excluding AOCI	**78.32**	72.36

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> Life Insurance sales of $155 million, up 36%, with ***growth across all major product lines***

* * *

> Life Insurance reported income from operations of $58 million compared to $107 million in the prior-year quarter as improved ***pandemic-related mortality was more than offset by less favorable returns within the company's alternative investment portfolio and less favorable underlying mortality.***

* * *

Average Stockholders' Equity	
Average equity, including average AOCI	**$ 17,492**
Average AOCI	**3,846**
Average equity, excluding AOCI	**13,646**
Average goodwill	**1,778**
Average equity, excluding AOCI and goodwill	**$ 11,868**
Return on Equity, Including AOCI	
Net income (loss) with average equity including goodwill	**2.4%**
Adjusted Operating Return on Equity, Excluding AOCI	
Adjusted income (loss) from operations with average equity including goodwill	**8.6%**
Adjusted income (loss) from operations with average equity excluding goodwill	**9.9%**

54. On May 5, 2022, the Company submitted its quarterly report for the quarter ended March 31, 2022 on a Form 10-Q filed with the SEC (the "1Q22 10-Q"). The 1Q22 10-Q reported, in relevant part, the following concerning the Company's results from the life insurance segment, including benefits, in millions:

	For the Three Months Ended March 31,	
	2022	2021
Operating Revenues		
Insurance premiums [1]	$ 277	$ 253
Fee income	846	867
Net investment income	688	809
Operating realized gain (loss) [2]	1	(2)
Amortization of deferred gain on business sold through reinsurance	12	3
Other revenues	1	9
Total operating revenues	1,825	1,939
Operating Expenses		
Interest credited	325	370
Benefits	1,126	1,173
Commissions and other expenses	309	266
Total operating expenses	1,760	1,809
Income (loss) from operations before taxes	65	130
Federal income tax expense (benefit)	7	23
Income (loss) from operations	$ 58	$ 107

(1) Includes term insurance premiums, which have a corresponding partial offset in benefits for changes in reserves.
(2) See "Realized Gain (Loss)" below.

55. The 1Q22 10-Q reported, in substantially similar terms as prior quarters, including the 3Q20 10-Q herein quoted, the Company's policies regarding reserves and hedging.

56. The 1Q22 10-Q reported, in substantially similar terms as prior quarters, including the 3Q20 10-Q herein quoted, the Company's use of a "mortality rate [] based on a combination of company and industry experience, adjusted for improvement factors" effective in relevant part to show:

Liabilities								
Future contract benefits – indexed annuity contracts embedded derivatives	$ (5,574)	Discounted cash flow	Lapse rate [3]	0%	-	9%	(10)	
			Mortality rate [7]			(9)	(10)	
Other liabilities – GLB ceded embedded derivatives	(174)	Discounted cash flow	Long-term lapse rate [3]	1%	-	30%	(10)	
			Utilization of guaranteed withdrawals [4]	85%	-	100%		94%
			Claims utilization factor [5]	60%	-	100%	(10)	
			Premiums utilization factor [5]	80%	-	115%	(10)	
			NPR [6]	0.14%	-	1.59%		1.14%
			Mortality rate [7]			(9)	(10)	
			Volatility [8]	1%	-	28%		14.53%

(1) Unobservable inputs were weighted by the relative fair value of the instruments, unless otherwise noted.

(2) The liquidity/duration adjustment input represents an estimated market participant composite of adjustments attributable to liquidity premiums, expected durations, structures and credit quality that would be applied to the market observable information of an investment.

(3) The lapse rate input represents the estimated probability of a contract surrendering during a year, and thereby forgoing any future benefits. The range for indexed annuity contracts represents the lapse rates during the surrender charge period.

(4) The utilization of guaranteed withdrawals input represents the estimated percentage of contract holders that utilize the guaranteed withdrawal feature.

(5) The utilization factors are applied to the present value of claims or premiums, as appropriate, in the GLB reserve calculation to estimate the impact of inefficient withdrawal behavior, including taking less than or more than the maximum guaranteed withdrawal.

(6) The NPR input represents the estimated additional credit spread that market participants would apply to the market observable discount rate when pricing a contract. The NPR input was weighted by the absolute value of the sensitivity of the reserve to the NPR assumption.

(7) The mortality rate input represents the estimated probability of when an individual belonging to a particular group, categorized according to age or some other factor such as gender, will die.

(8) The volatility input represents overall volatilities assumed for the underlying variable annuity funds, which include a mixture of equity and fixed-income assets. Fair value of the variable annuity GLB embedded derivatives would increase if higher volatilities were used for valuation. Volatility assumptions vary by fund due to the benchmarking of different indices. The volatility input was weighted by the relative account value assigned to each index.

(9) The mortality rate is based on a combination of company and industry experience, adjusted for improvement factors.

(10) A weighted average input range is not a meaningful measurement for lapse rate, utilization factors or mortality rate.

57. The 1Q22 10-Q was signed and certified by Defendant Freitag as Executive Vice President and CFO, and Defendant Glass as President and CEO pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

58. On August 3, 2022, the Company issued a press release announcing its financial results for the quarter ended June 30, 2022, which reported the Company's financial results, summarized in relevant part:

(in millions, except per share data)	As of or For the Three Months Ended June 30, 2022	As of or For the Three Months Ended June 30, 2021	As of or For the Six Months Ended June 30, 2022	As of or For the Six Months Ended June 30, 2021
Net Income (Loss)	$ **238**	$ 642	$ **341**	$ 867
Net Income (Loss) Available to Common Stockholders	**231**	642	**334**	867
Net Income (Loss) per Diluted Share Available to Common Stockholders	**1.34**	3.34	**1.91**	4.51
Revenues	**5,104**	4,851	**9,791**	9,386
Adjusted Income (Loss) from Operations	**391**	608	**685**	959
Adjusted Income (Loss) from Operations per Diluted Share Available to Common Stockholders	**2.23**	3.17	**3.88**	4.98
Average Diluted Shares	**172.7**	192.2	**174.6**	192.4
Return on Equity (ROE), Including Accumulated Other Comprehensive Income (AOCI) (Net Income)	**8.0%**	12.4%	**4.6%**	8.3%
Adjusted Operating ROE, Excluding AOCI (Adjusted Income from Operations)	**11.6%**	17.3%	**10.1%**	13.8%
Book Value per Share (BVPS), Including AOCI	$ **53.97**	$ 115.00	$ **53.97**	$ 115.00
Book Value per Share, Excluding AOCI	**79.49**	75.45	**79.49**	75.45

* * *

Life Insurance sales of $193 million are up 53% with ***growth across all products***

* * *

Life Insurance reported income from operations of $114 million compared to $255 million in the prior-year quarter driven primarily by less favorable returns within the company's alternative investment portfolio.

* * *

Average Stockholders' Equity	
Average equity, including average AOCI	$ 11,950
Average AOCI	(1,547)
Average equity, excluding AOCI	13,497
Average goodwill	1,778
Average equity, excluding AOCI and goodwill	$ 11,719
Return on Equity, Including AOCI	
Net income (loss) with average equity including goodwill	**8.0%**
Adjusted Operating Return on Equity, Excluding AOCI	
Adjusted income (loss) from operations with average equity including goodwill	**11.6%**
Adjusted income (loss) from operations with average equity excluding goodwill	**13.3%**

59. On August 4, 2022, the Company submitted its quarterly report for the quarter ended June 30, 2022 on a Form 10-Q filed with the SEC (the "2Q22 10-Q"). The 2Q22 10-Q reported, in relevant part, the following concerning the Company's results from the life insurance segment, including benefits, in millions:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Operating Revenues				
Insurance premiums [1]	$ 283	$ 258	$ 560	$ 511
Fee income	840	915	1,686	1,783
Net investment income	665	852	1,353	1,661
Operating realized gain (loss) [2]	(2)	(2)	(1)	(4)
Amortization of deferred gain on business sold through reinsurance	12	3	25	5
Other revenues	2	3	2	12
Total operating revenues	1,800	2,029	3,625	3,968
Operating Expenses				
Interest credited	329	372	653	742
Benefits	1,041	999	2,167	2,172
Commissions and other expenses	291	341	601	607
Total operating expenses	1,661	1,712	3,421	3,521
Income (loss) from operations before taxes	139	317	204	447
Federal income tax expense (benefit)	25	62	32	85
Income (loss) from operations	$ 114	$ 255	$ 172	$ 362

(1) Includes term insurance premiums, which have a corresponding partial offset in benefits for changes in reserves.

(2) See "Realized Gain (Loss)" below.

60. The 2Q22 10-Q reported, in substantially similar terms as prior quarters, including the 3Q20 10-Q herein quoted, the Company's the policies regarding reserves and hedging.

61. The 2Q22 10-Q reported, in substantially similar terms as prior quarters, including the 3Q20 10-Q herein quoted, the Company's use of a "mortality rate [] based on a combination of company and industry experience, adjusted for improvement factors" effective in relevant part to show:

Liabilities									
Future contract benefits – indexed annuity contracts embedded derivatives	$	(3,476)	Discounted cash flow	Lapse rate (3)	0%	-	9%	(10)
				Mortality rate (7)			(9)	(10)
Other liabilities – GLB ceded embedded derivatives		(136)	Discounted cash flow	Long-term lapse rate (3)	1%	-	30%	(10)
				Utilization of guaranteed withdrawals (4)	85%	-	100%	94%
				Claims utilization factor (5)	60%	-	100%	(10)
				Premiums utilization factor (5)	80%	-	115%	(10)
				NPR (6)	0.25%	-	2.11%	1.53%
				Mortality rate (7)			(9)	(10)
				Volatility (8)	1%	-	28%	14.08%

(1) Unobservable inputs were weighted by the relative fair value of the instruments, unless otherwise noted.

(2) The liquidity/duration adjustment input represents an estimated market participant composite of adjustments attributable to liquidity premiums, expected durations, structures and credit quality that would be applied to the market observable information of an investment.

(3) The lapse rate input represents the estimated probability of a contract surrendering during a year, and thereby forgoing any future benefits. The range for indexed annuity contracts represents the lapse rates during the surrender charge period.

(4) The utilization of guaranteed withdrawals input represents the estimated percentage of contract holders that utilize the guaranteed withdrawal feature.

(5) The utilization factors are applied to the present value of claims or premiums, as appropriate, in the GLB reserve calculation to estimate the impact of inefficient withdrawal behavior, including taking less than or more than the maximum guaranteed withdrawal.

(6) The NPR input represents the estimated additional credit spread that market participants would apply to the market observable discount rate when pricing a contract. The NPR input was weighted by the absolute value of the sensitivity of the reserve to the NPR assumption.

(7) The mortality rate input represents the estimated probability of when an individual belonging to a particular group, categorized according to age or some other factor such as gender, will die.

(8) The volatility input represents overall volatilities assumed for the underlying variable annuity funds, which include a mixture of equity and fixed-income assets. Fair value of the variable annuity GLB embedded derivatives would increase if higher volatilities were used for valuation. Volatility assumptions vary by fund due to the benchmarking of different indices. The volatility input was weighted by the relative account value assigned to each index.

(9) The mortality rate is based on a combination of company and industry experience, adjusted for improvement factors.

(10) A weighted average input range is not a meaningful measurement for lapse rate, utilization factors or mortality rate.

62. The 2Q22 10-Q was signed and certified by Defendant Freitag as Executive Vice President and CFO, and Defendant Cooper as President and CEO pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

63. The above statements identified in ¶¶ 18-62 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that the Company was experiencing a decline in its VUL business; (2) that, as a result, the goodwill associated with the life insurance business was overstated; (3) that, as a result, the Company's policy lapse assumptions were outdated; (4) that, as a result, the Company's reserves were overstated; (5) that,

as a result, the Company's reported financial results and financial statements were misstated; and (6) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

Disclosures at the End of the Class Period

64. On November 2, 2022, after the market closed, Lincoln National released its third quarter 2022 financial results, reporting a net loss of $2.6 billion. This was compared to a net income of $318 million for the third quarter of 2021 the previous year. The Company explained "[t]he current quarter's adjusted operating results included net unfavorable notable items of $2.0 billion, or $11.62 per share, related to the company's annual review of DAC and reserve assumptions." The Company also disclosed that it "incurred a $634 million goodwill impairment to the life insurance business." In greater part, the Company disclosed:

> Lincoln Financial Group (NYSE: LNC) today reported a net loss for the third quarter of 2022 of $(2.6) billion, or $(15.17) per diluted share available to common stockholders, compared to net income in the third quarter of 2021 of $318 million, or $1.68 per diluted share available to common stockholders. Third quarter adjusted loss from operations was $(1.7) billion, or $(10.23) per diluted share available to common stockholders, compared to adjusted income from operations of $307 million, or $1.62 per diluted share available to common stockholders, in the third quarter of 2021.
>
> The current quarter's adjusted operating results included net unfavorable notable items of $2.0 billion, or $11.62 per share, related to the company's annual review of DAC and reserve assumptions. This charge corresponds to an estimated $550 million statutory capital impact equating to a 22-point decline in the risk-based capital ratio. The review charge and the statutory impact both relate primarily to updated guaranteed universal life insurance lapse assumptions in response to emerging experience, combined with recently validated external industry perspectives. Separately, Lincoln incurred a $634 million goodwill impairment to the life insurance business. Additional information on the company's annual review of DAC and reserve assumptions is available in a supplemental presentation on the company's website at http://www.lincolnfinancial.com/investor.
>
> The prior-year quarter included net unfavorable notable items of $108 million, or $0.57 per share, primarily related to legal expenses and the company's annual review of DAC and reserve assumptions.

> "The significant charge we recorded during the third quarter and the statutory capital impact to be booked at the end of 2022 resulted from our annual assumption review primarily due to policyholder lapsation behavior in our guaranteed universal life insurance block and will contribute to a decline in our RBC ratio," said Ellen Cooper, president and CEO of Lincoln Financial Group. "We are confident we have ample capital to effectively operate the business as we replenish statutory capital back to our targeted level."
>
> Cooper concluded, "With a new leadership team in place, we are focused on clear actions to improve distributable earnings, reduce capital volatility and further diversify our business mix. We continue to see solid performance across all businesses with our product strategies, resulting in strong sales growth at or above targeted returns, positive net flows in our Annuity and Retirement businesses, and continued progress on our Group margin improvement."
>
> * * *
>
> **Review of Life Insurance Goodwill**
>
> The company's review of the goodwill asset pertaining to Life Insurance resulted in a non-cash charge of $634 million, or $3.73 per share, to net income.
>
> The goodwill impairment is primarily due to variable universal life insurance equity market impacts and the use of a higher discount rate.

65. On this news, Lincoln's stock price fell $17.27, or 33.2%, to close at $34.83 per share on November 3, 2022, on unusually heavy trading volume.

<u>CLASS ACTION ALLEGATIONS</u>

66. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Lincoln National securities between November 4, 2020 and November 2, 2022, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

67. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Lincoln National's shares actively traded on the New York Stock Exchange. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Millions of Lincoln National shares were traded publicly during the Class Period on the New York Stock Exchange. Record owners and other members of the Class may be identified from records maintained by Lincoln National or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

68. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

69. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

70. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Lincoln National; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

71. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

72. The market for Lincoln National's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Lincoln National's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Lincoln National's securities relying upon the integrity of the market price of the Company's securities and market information relating to Lincoln National, and have been damaged thereby.

73. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Lincoln National's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Lincoln National's business, operations, and prospects as alleged herein.

74. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the

Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Lincoln National's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

LOSS CAUSATION

75. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

76. During the Class Period, Plaintiff and the Class purchased Lincoln National's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

77. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Lincoln National, their control

over, and/or receipt and/or modification of Lincoln National's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Lincoln National, participated in the fraudulent scheme alleged herein.

APPLICABILITY OF PRESUMPTION OF RELIANCE

(FRAUD-ON-THE-MARKET DOCTRINE)

78. The market for Lincoln National's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Lincoln National's securities traded at artificially inflated prices during the Class Period. On November 3, 2021, the Company's share price closed at a Class Period high of $ 76.13 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Lincoln National's securities and market information relating to Lincoln National, and have been damaged thereby.

79. During the Class Period, the artificial inflation of Lincoln National's shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Lincoln National's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Lincoln National and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the

Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

80. At all relevant times, the market for Lincoln National's securities was an efficient market for the following reasons, among others:

(a) Lincoln National shares met the requirements for listing, and was listed and actively traded on the New York Stock Exchange, a highly efficient and automated market;

(b) As a regulated issuer, Lincoln National filed periodic public reports with the SEC and/or the New York Stock Exchange;

(c) Lincoln National regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Lincoln National was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

81. As a result of the foregoing, the market for Lincoln National's securities promptly digested current information regarding Lincoln National from all publicly available sources and reflected such information in Lincoln National's share price. Under these circumstances, all purchasers of Lincoln National's securities during the Class Period suffered similar injury through their purchase of Lincoln National's securities at artificially inflated prices and a presumption of reliance applies.

82. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

NO SAFE HARBOR

83. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as "forward-looking statements" when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Lincoln National who knew that the statement was false when made.

FIRST CLAIM

Violation of Section 10(b) of The Exchange Act and

Rule 10b-5 Promulgated Thereunder

Against All Defendants

84. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

85. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Lincoln National's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

86. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Lincoln National's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

87. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Lincoln National's financial well-being and prospects, as specified herein.

88. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Lincoln National's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Lincoln National and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

89. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

90. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Lincoln National's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

91. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Lincoln National's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Lincoln National's securities during the Class Period at artificially high prices and were damaged thereby.

92. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems

that Lincoln National was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Lincoln National securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

93. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

94. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM

Violation of Section 20(a) of The Exchange Act

Against the Individual Defendants

95. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

96. Individual Defendants acted as controlling persons of Lincoln National within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were

issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

97. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

98. As set forth above, Lincoln National and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.