

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

IN RE MUTUAL FUNDS INVESTMENT LITIGATION

Franklin Templeton Sub-Track

MDL 1586

Case No. 1:04-MD-15862 -JFM

PROOF OF CLAIM AND RELEASE

I. GENERAL INSTRUCTIONS

- A. You are a member of the Class (“Class Member”) in the Franklin Templeton Sub-Track of the *In re Mutual Funds Investment Litigation* (MDL No. 1586), Case No. 04-md-15862-JFM (the “Action”) if you purchased and/or held shares in the following mutual funds in the Franklin Funds: Franklin Small Cap Growth Fund (effective 9/1/01, name changed to Franklin Small-Mid Cap Growth Fund); Templeton Foreign Fund; Templeton Developing Markets Trust; Templeton World Fund; Franklin California Tax-Free Income Fund; Templeton Global Smaller Companies Fund; Templeton Growth Fund, Inc.; Franklin Federal Tax-Free Income; Templeton Global Opportunities Trust; Franklin California Growth Fund (effective 9/1/02, name changed to Franklin Flex Cap Growth Fund); Templeton Pacific Growth (effective 5/8/03, merged into Templeton Foreign Fund); and Templeton Greater European Fund (effective 8/1/99, name changed to Templeton International Fund; effective 8/1/01, name changed to Templeton International (Ex EM) Fund; and effective 4/25/07, merged into Templeton Foreign Fund) (collectively, the “Franklin Class Funds” or “Funds”) during the period from February 6, 1999 through February 4, 2004, inclusive (the “Class Period”).
- B. ONLY CLASS MEMBERS WHO HELD SHARES OF THE FRANKLIN CLASS FUNDS THROUGH INTERMEDIARY ACCOUNTS MANAGED BY THIRD PARTY INSTITUTIONS (FOR EXAMPLE, MORGAN STANLEY, CHARLES SCHWAB, OR MERRILL LYNCH, AMONG OTHERS) ARE REQUIRED TO SUBMIT A PROOF OF CLAIM. This means that if you received your account statements from a financial intermediary or adviser, including a broker, dealer or financial intermediary other than the Franklin Funds, you must complete and submit this Proof of Claim. If you fail to submit a Proof of Claim by the deadline, your claim will be rejected and you will be precluded from receiving any recovery from the Settlement Fund created in connection with the proposed Settlements of the Action, entered into by Plaintiff with the Bear Stearns Entities, the Canary Entities, BAS and Security Brokerage (each defined below) (collectively, the “Settlements”), or benefiting from the agreement of the Franklin Defendants (defined below) to contribute \$2.75 million toward the costs of distribution (including costs of notice and settlement administration) of the Settlements (the “Franklin Contribution”), pursuant to the Stipulation and Releases dated March 14, 2011 (the “Stipulation”).
- C. Class Members who held shares in the Franklin Class Funds directly through Franklin Funds, meaning they received account statements directly from Franklin Funds, are not required to submit a Proof of Claim in order to receive payment from the Settlement Fund. ***If you held shares directly through Franklin Funds, DO NOT submit a Proof of Claim.*** Only submit a Proof of Claim if you held shares of the Funds through intermediary accounts managed by third party institutions, as described above.
- D. Submission of this Proof of Claim, however, does not assure that you will share in the proceeds of the Settlement Fund created in this Action.
- E. YOU MUST COMPLETE AND SUBMIT YOUR PROOF OF CLAIM VIA MAIL POSTMARKED **ON OR BEFORE DECEMBER 12, 2011**, ADDRESSED TO THE CLAIMS ADMINISTRATOR AS FOLLOWS:

In re Mutual Funds Investment Litigation – Franklin Sub-Track
c/o Rust Consulting, Inc.
Claims Administrator
P.O. Box 2480
Faribault, MN 55021-9180

If you are NOT a Class Member, as defined above in paragraph I.B., DO NOT submit a Proof of Claim.

- F. If you are a Class Member, you are bound by the terms of any judgments entered in the Action, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM FORM, unless you take the required steps to exclude yourself from the Class, as set forth in the long-form Notice of Pendency and Proposed Settlement and/or Dismissal of Class Action, Motion for Attorneys’ Fees and Expenses, and Settlement Hearing found at www.mutualfundsettlements.com/franklin.

II. INSTRUCTIONS FOR CLAIMANT IDENTIFICATION SCHEDULE

- A. If you are a Class Member and held the security(s) in your name, you are the beneficial owner as well as the record owner. If, however, the security(s) were registered in the name of a third party, such as a nominee or brokerage firm (*e.g.*, Schwab, Merrill Lynch, or Morgan Stanley), you are the beneficial owner and the third party is the record owner.
- B. On Part I of this form entitled "Claimant Identification," provide your name and information, and, if you are not the record owner, identify each owner of record ("nominee" or brokerage firm).
- C. All joint purchasers must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of persons or entities represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

III. INSTRUCTIONS FOR SCHEDULE OF TRANSACTIONS

- A. In the space provided below, supply all required details of your holdings in each of the Franklin Class Funds. If you need more space, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.
- B. Please provide the requested information with respect to **all** of your holdings in the Franklin Class Funds during the period from February 6, 1999 through February 4, 2004, inclusive. Failure to report all such information may result in the rejection of your claim.
- C. You will also need to submit supporting documentation concerning the number of shares you held in the Franklin Class Funds at various times. In most cases, information contained in your year-end or quarterly mutual fund account statements from the relevant 1999-2004 period will be sufficient. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim. If you did not hold any shares as of a particular date, you do not need to submit documentation of your lack of holdings.
- D. The requests are designed to provide the minimum amount of information necessary to process the most simple claims. The Claims Administrator may request additional information as required to calculate your claim reliably and efficiently.

**MUST BE POSTMARKED
NO LATER THAN:
DECEMBER 12, 2011**

MFIL - FKLN
IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
*In re Mutual Funds Investment Litigation -
Franklin Sub-Track*
Case No. 04-md-15862-JFM

FOR OFFICIAL USE ONLY

PROOF OF CLAIM AND RELEASE

PLEASE TYPE OR PRINT USING BLACK OR BLUE INK.

PART I. CLAIMANT IDENTIFICATION - (COMPLETE EITHER SECTION A OR B AND THEN PROCEED TO C. PLEASE TYPE OR PRINT.)

A. Complete this Section ONLY if the Beneficial Owner is an individual, joint, or IRA account. Otherwise, proceed to B

Last Name (Beneficial Owner)	First Name (Beneficial Owner)
<input type="text"/>	<input type="text"/>
Last Name (Joint Beneficial Owner, if applicable)	First Name (Joint Beneficial Owner)
<input type="text"/>	<input type="text"/>
Name of IRA Custodian, if applicable	
<input type="text"/>	

If this account is an IRA, and if you would like any check that you MAY be eligible to receive made payable to the IRA account, please include "IRA" in the "Last Name" box above (e.g., Jones IRA).

B. Complete this Section ONLY if the Beneficial Owner is an Entity; i.e., corporation, trust, estate, etc. Then, proceed to C.

Entity Name
<input type="text"/>
Name of Representative, if applicable (Executor, administrator, trustee, c/o, etc.)
<input type="text"/>

C. Account/Mailing Information:

Specify one of the following:		
<input type="checkbox"/> Individual(s)	<input type="checkbox"/> Joint Owners	<input type="checkbox"/> Estate
<input type="checkbox"/> Other (specify):	<input type="checkbox"/> Corporation	<input type="checkbox"/> IRA
<input type="text"/>		
Number and Street and P.O. Box		
<input type="text"/>		
City	State	Zip Code
<input type="text"/>	<input type="text"/>	<input type="text"/>
Foreign Province and Postal Code	Foreign Country	
<input type="text"/>	<input type="text"/>	
Telephone Number (Day)	Telephone Number (Evening)	
<input type="text"/>	<input type="text"/>	
E-mail Address	Account Number	
<input type="text"/>	<input type="text"/>	
Enter Taxpayer Identification Number below for the Beneficial Owner(s) (if US Citizen / Resident).		
Social Security No. (for individuals)	or	Taxpayer Identification No.
<input type="text"/>		<input type="text"/>



QUESTIONS? VISIT www.mutualfundsettlements.com/franklin OR CALL 1-877-465-4895



PART II: HOLDINGS IN THE FRANKLIN CLASS FUNDS

Please identify in the Table below the specific Franklin Class Funds in which you owned shares, and the number of shares you held in each Fund on the dates indicated. You may leave blank the boxes next to the names of Funds in which you did not own shares. **Please also be sure to enclose with your completed Proof of Claim form account statements identifying the number of shares you held in each of the Class Funds on each of the dates indicated on the Table below. The amount of your claim will be determined by the Claims Administrator based on information in your account statements, and failure to include such statements will result in a forfeiture of your claim. By submitting your account statements along with a completed and signed Proof of Claim form, you hereby verify that to the best of your knowledge, the account statements accurately represent the number of shares you held in the Franklin Class Funds during the relevant 1999-2004 period.**

Account Number:

Name of Account Holder:

Account Held at : Schwab Merrill Lynch Morgan Stanley

Elsewhere (Name):

Franklin Class Fund ¹	Number of Shares Held on March 31, 1999	Number of Shares Held on December 31, 1999	Number of Shares Held on December 31, 2000	Number of Shares Held on December 31, 2001	Number of Shares Held on December 31, 2002	Number of Shares Held on December 31, 2003	Number of Shares Held on March 31, 2004
Franklin Small Cap Growth (a/k/a Franklin Small-Mid Cap Growth) Fund							
Templeton Foreign Fund							
Templeton Developing Markets Fund							
Templeton World Fund							
Franklin California Tax-Free Income Fund							
Templeton Global Smaller Companies Fund							
Templeton Growth Fund, Inc.							
Franklin Federal Tax-Free Income Fund							
Templeton Global Opportunities Trust							
Franklin California Growth Fund (later called Franklin Flex Cap Growth)							
Templeton Pacific Growth (later merged into Templeton Foreign)							
Templeton Greater European (later Templeton International and International (Ex EM), now merged into Templeton Foreign)							

¹ If you own more than one class of shares in any Franklin Class Fund, sum the number of shares for the classes.

YOU MUST READ AND SIGN THE RELEASE ON PAGES 3-5. FAILURE TO SIGN THE RELEASE MAY RESULT IN A DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.

QUESTIONS? VISIT www.mutualfundsettlements.com/franklin OR CALL 1-877-465-4895



PART III: SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGEMENTS

1. I (We) submit this Proof of Claim and Release under the terms of the Settlements and Stipulation and Releases described in the Long-Form Notice of Pendency and Proposed Settlement and/or Dismissal of Class Action, Settlement of Derivative Action With Respect to the Canary and BAS Defendants, Motion for Attorneys' Fees and Expenses, and Settlement Hearing. I (We) also submit to the jurisdiction of the United States District Court for the District of Maryland with respect to my (our) claim as a Class Member and for purposes of enforcing the release set forth herein and any Final Judgments and Orders which may be entered in the Action. I (We) further acknowledge that I (we) am (are) bound by and subject to the terms of any Final Judgments and Orders that may be entered in the Action.
2. I (We) agree to furnish additional information to the Claims Administrator to support this claim if required to do so.
3. I (We) am (are) a Class Member as defined in the Long-Form Notice and am (are) not one of the persons or entities excluded from the Class,² members of the immediate family of each of the individual defendants, any subsidiary, affiliate, director, or officer of any of the excluded persons or entities referenced in footnote 2 to this paragraph, any entity in which any excluded person or entity has a controlling interest, or the legal representatives, heirs, successors and assigns of any excluded person or entity, and have not requested to be excluded from the Class.
4. I (We) have not, to the best of my (our) knowledge (i) engaged in Market Timing (defined in the Stipulation to include "market-timing, late-trading, or short-term or excessive trading of shares") in the Franklin Class Funds (listed above), (ii) been identified as a Market Timer in the Franklin Class Funds by any damages consultant in this Action, or (iii) had my (our) accounts frozen due to violations of the Franklin Class Funds' guidelines on Market Timing.

PART IV: DEFINITIONS AND RELEASE

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, discharge and release all "Released Claims" against all "Franklin Released Parties," including "Unknown Claims," as contained in the Stipulation and defined below.
 - (a) "Released Claims" means any and all claims, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether suspected or unsuspected, whether accrued or unaccrued, whether direct, class, derivative or brought in any other capacity, including both known claims and Unknown Claims (defined below), that have been, could have been or might have been asserted in the Class Complaint or in the Action or the Transferred Actions (as defined in paragraph 1(a)(iii) below) or in any other forum against any of the Franklin Released Parties (defined below) which concern, relate to or arise out of in any respect, directly or indirectly, Market Timing (as defined in the Stipulation), in any of the Franklin Class Funds during the Class Period, including any claims that any of the Franklin Released Parties allowed, arranged, assisted, cleared, brokered, financed, provided the means for, subjected investors to or otherwise facilitated or made material misrepresentations of fact or omissions concerning Market Timing in any of the Franklin Class Funds during the Class Period (other than any claims asserted in the parallel Derivative Action). The Released Claims include, without limitation:
 - (i) all of the claims that were or could have been brought, with respect to the Franklin Class Funds, against any of the Franklin Released Parties in the Class Action Complaint;
 - (ii) claims that the manner in which the shares of some or all of the Franklin Class Funds were priced or valued exposed the funds and their shareholders to harm from Market Timing; and
 - (iii) all of the claims that were or could have been brought with respect to the Franklin Class Funds against any of the Franklin Released Parties in the complaints and actions filed in or transferred to the Franklin Sub-Track in MDL 1586, including such claims asserted in the following actions (the "Transferred Actions"): *Sharkey IRA/RO v. Franklin Resources, Inc., et al.*, 04-CV-1330 (GBD) (S.D.N.Y.); *Jaffe v. Franklin AGE High Income Fund, et al.*, CV-S-04-0146-PMP-RJJ (D. Nev.); *Bennett v. Franklin Resources, Inc., et al.*, CV-S-04-0154-HDM-RJJ (D. Nev.); *Beer v. Franklin AGE High Income Fund, et al.*, 04-CV-249-26 (MAP) (M.D. Fla.); *Dukes v. Franklin AGE High Income Fund, et al.*, 04-CV-0598-MJJ (N.D. Cal.); *Lum v. Franklin Resources, Inc., et al.*, 04-583 JSW (N.D. Cal.); *Fischbein v. Franklin AGE High Income Fund, et al.*, 04-584 JSW (N.D. Cal.); *Alexander v. Franklin AGE High Income Fund, et al.*, 04-cv-639 (SC) (N.D. Cal.); *Peter D'Alliessi and Lois D'Alliessi Living Trust, DTD v. Franklin AGE High Income Fund, et al.*, 04-cv-865 SC (N.D. Cal.); *Cullen v. Templeton Growth Fund, Inc., et al.*, 04-60420 (S.D. Fla.); and *Kenerly v. Templeton Funds, Inc. et al.*, 03-770 GPM (S.D. Ill.).

² Persons excluded from the Class, as set forth in the Stipulation and Releases dated March 14, 2011 between Class Lead Plaintiff ("Plaintiff"), and the Franklin Defendants (the "Stipulation") are: (i) the "Franklin Defendants" (defined in the Stipulation as Franklin Resources, Inc., Franklin Advisers, Inc., Franklin/Templeton Distributors, Inc., Franklin Strategic Series, an open-end investment management company organized as a Delaware business trust and registered under the Investment Company Act, Franklin Templeton Alternative Strategies, Inc. (f/k/a Franklin Templeton Asset Strategies, LLC and Franklin Templeton Alternative Strategies, LLC and since merged into Templeton Worldwide, Inc.), and certain affiliates thereof, as defined in the Stipulation; and (ii) each Other Defendant in this litigation (as defined in the Stipulation).



(b) "Franklin Released Parties" means (1) the Franklin Defendants and their parent entities, associates, affiliates or subsidiaries, and each and all of their respective past or present officers, directors, associates, agents, representatives, employees, attorneys, financial or investment advisors, advisors, consultants, accountants, investment bankers, commercial bankers, trustees, insurers, co-insurers and re-insurers, general or limited partners or partnerships, limited liability companies, members, predecessors, successors and assigns, the FSS trust, the past or present FSS trustees, and all Franklin Funds and all present and past trustees, directors and officers of all Franklin Funds, (2) all other entities that provided advisory, distribution, management, administration, transfer agency or other services to any of the Franklin Funds, and (3) for avoidance of doubt, all Persons named in or subject to the Tolling Agreements, as described in the Stipulation.

(c) "Unknown Claims" means any and all Released Claims which Plaintiff or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Franklin Released Parties, and any Released Franklin Claims which any of the Franklin Released Parties does not know or suspect to exist in its favor, which if known by him, her or it might have affected his, her or its decision(s) with respect to this Stipulation. With respect to any and all Released Claims and Released Franklin Claims, the Parties stipulate and agree that, upon the Effective Date, Plaintiff and the Franklin Defendants shall expressly waive, and each Class Member and each of the other Franklin Released Parties shall with respect to such claims be deemed to have waived, and by operation of the Order and Final Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Parties to the Stipulation acknowledge, and each of the Class Members and the Franklin Released Parties by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Franklin Claims was a material and separately bargained for element of the Stipulation.

2. I (We) also hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, discharge and release all (i) "Released Claims," including "Unknown Claims," against the "Bear Stearns Released Parties," pursuant to the Franklin-Templeton/Bear Stearns Severed Agreement and Stipulation of Settlement dated January 15, 2010, entered into between Plaintiff and Bear, Stearns & Co. Inc., Bear, Stearns Securities Corp, and The Bear Stearns Companies Inc., currently known as J.P. Morgan Securities Inc., J.P. Morgan Clearing Corp. and The Bear Stearns Companies LLC (the "Bear Stearns Entities"); (ii) "Released Claims," including "Unknown Claims," against the "Canary Released Parties," pursuant to the Franklin-Templeton/Canary Severed Agreement and Stipulation of Settlement dated January 26, 2010, entered into between Plaintiff and Canary Capital Partners, LLC, Canary Capital Partners, Ltd., Canary Investment Management, LLC, and Edward Stern (the "Canary Entities"); and (iii) "Released Claims," including "Unknown Claims," against the "Bank of America Released Parties," pursuant to the Franklin-Templeton/BAS Severed Agreement and Stipulation of Settlement dated as of May 17, 2011, entered into between Plaintiff and Banc of America Securities LLC ("BAS"), which settlement agreements can be found at www.mutualfundsettlements.com/franklin, and that such discharge and release shall equally apply to claims with respect to the Franklin Class Funds against Security Brokerage, which has also contributed to the Settlement Fund to resolve the Action.
3. This release shall be of no force or effect unless and until the Court gives final approval to the Settlements and their respective Effective Dates occur.



PART V: REPRESENTATIONS

1. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.
2. I (We) hereby warrant and represent that I (we) have identified all of my (our) holdings in the Franklin Class Funds during the Class Period and attached account statements or other documentation of the shares I (we) held in such Franklin Class Funds during the Class Period (February 6, 1999 – February 4, 2004).
3. I (We) certify that I am (we are) not subject to backup withholding under the provisions of Section 3406(a) (1) (c) of the Internal Revenue Code.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

I declare under penalty of perjury under the laws of the State of Maryland and the United States of America that the foregoing information supplied by the undersigned is true and correct and that this Proof of Claim and Release form was executed

this ___ day of _____, _____ in _____, _____, _____
(Month) (Year) (City, State, Country)

(Sign your name here)

(Sign your name here)

(Type or print your name here)

(Type or print your name here)

(Capacity of persons signing, e.g., Beneficial Purchaser, Executor or Administrator)

(Capacity of persons signing, e.g., Beneficial Purchaser, Executor or Administrator)

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME
THANK YOU FOR YOUR PATIENCE**

REMINDER CHECKLIST

1. Please sign the Certification section of the Proof of Claim and Release on pages 3-5.
2. If this claim is being made on behalf of joint claimants, both must sign.
3. Remember to attach your account statements.
4. Keep a copy of your Proof of Claim and Release form and all documents submitted for your records.
5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.
6. If you move, please send the Claims Administrator your new address.

**THESE FORMS AND YOUR SUPPORTING DOCUMENTATION MUST BE POSTMARKED
NO LATER THAN DECEMBER 12, 2011.**



