

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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 IN RE LLOYD'S AMERICAN TRUST FUND LITIGATION : 96 Civ. 1262 (RWS)
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 THIS DOCUMENT RELATES TO :
 ALL ACTIONS :
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**NOTICE OF PENDENCY AND PROPOSED SETTLEMENT
OF CLASS ACTION, FAIRNESS HEARING AND RIGHT TO APPEAR**

TO: ALL FORMER AND CURRENT UNDERWRITING MEMBERS OF THE SOCIETY OF LLOYD'S WHO UNDERWROTE AMERICAN BUSINESS AND WHO DID NOT ACCEPT LLOYD'S OFFER OF SETTLEMENT IN CONNECTION WITH ITS PLAN FOR RECONSTRUCTION AND RENEWAL (INCLUDING, FOR PURPOSES OF THE PROPOSED SETTLEMENT, CURRENT OR FORMER OFFICERS AND DIRECTORS OF CITIBANK).

THIS LEGAL NOTICE DESCRIBES A PROPOSED SETTLEMENT OF A PENDING CLASS ACTION AND YOUR RIGHTS IN CONNECTION WITH THAT PROPOSED SETTLEMENT. IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO RECEIVE BENEFITS THROUGH THE PROPOSED SETTLEMENT DESCRIBED IN THIS NOTICE.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. IF YOU ARE A CLASS MEMBER, YOUR RIGHTS WILL BE AFFECTED BY PROCEEDINGS IN THIS ACTION.

NOTICE IS HEREBY GIVEN, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of New York (the "Court") dated May 21, 2002, that a hearing will be held before the Honorable Robert W. Sweet, in the United States Courthouse, 500 Pearl Street, New York, New York 10007, at 12:00 noon, on September 10, 2002 (the "Fairness Hearing") to determine whether a proposed settlement (the "Settlement") of this action (the "Action"), on the terms and conditions set forth in the Stipulation and Agreement of Settlement dated May 8, 2002 (the "Settlement Agreement"), should be approved as fair, reasonable and adequate, and to consider the proposed plan for allocating the Settlement proceeds and the application of Plaintiffs' Counsel for attorneys' fees and reimbursement of expenses.

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A. INTRODUCTION

Why should I read this Notice?

1. This Notice concerns the proposed Settlement of a class action filed against Citibank, N.A. ("Citibank") by underwriting members of Lloyd's ("Names") who were beneficiaries of the trusts held by Citibank in connection with the underwriting of "American Business" (defined as insurance for which both Names' liabilities and premiums were payable in U.S. dollars). You have received this Notice because, according to Lloyd's records, you are -- or were before you requested exclusion (see paragraph 4, below) -- a member of the Class ("Class Member"). (Where Lloyd's records indicate that correspondence should be sent to a Name's authorized representative, this Notice is being sent to that representative.)

How do I know if I am a member of the Class?

2. As a Class Member, you may be eligible to participate in the proposed Settlement of this Action. You should read this Notice in full to learn about your rights in connection with the Settlement

3. Citibank acts as the trustee of the Lloyd's American Trust Fund ("LATF"), in which policyholder premiums and other monies are held in trust in connection with the underwriting of American Business. The Class consists of all Names who underwrote American Business, received Lloyd's offer of settlement in connection with Reconstruction & Renewal ("R&R"), and allegedly have been damaged by the conduct of Citibank in allegedly breaching its fiduciary duties as trustee of the LATF, regardless of whether such Names have any present or former affiliation with Citibank, but excluding: (a) those Names who did accept such offer of settlement, (b) those Names who have otherwise unconditionally released Citibank prior to May 8, 2002, and (c) those Names who previously requested exclusion from the Class (the "Opt-Outs") pursuant to the "Notice of Pendency of Class Action" mailed to Class Members in July 1998, and who do not accept the opportunity to rejoin the Class as discussed in Section F of this Notice.

What if I previously excluded myself from the Class?

4. A "Notice of Pendency of Class Action," dated May 29, 1998 (the "Notice of Pendency"), was sent in July 1998 to all known members of the Class. Pursuant to the Notice of Pendency, Class Members were allowed to submit requests to be excluded from the Class on or before October 1, 1998.

5. At this time, Opt-Outs are being provided with the opportunity to rejoin the Class for purposes of participating in the Settlement. If you are an Opt-Out and you would like to participate in the Settlement, you must complete the Opt-In Request Form attached as Appendix 2 to this Notice and submit it to the consulting firm that will administer the Settlement, Gilardi & Co., LLC (the "Claims Administrator"), postmarked no later than July 22, 2002. More information about making a request to rejoin the Class is contained in Section F of this Notice.

6. If you are an Opt-Out and you do not wish to participate in this Settlement, you need take no action in response to this Notice. Your rights will not be affected by the Settlement.

What if I am (or was at some point in the past) an officer or director of Citibank?

7. **If you are or were at any time an officer or director of Citibank, you were not a member of the Class when the Notice of Pendency was mailed, and you therefore have not yet been provided with an opportunity to exclude yourself from the Class. Information about how Citibank officers and directors may exclude themselves from the Class at this time is contained in Section H of this Notice.**

B. HISTORY OF THE ACTION

What is the Action about?

1. This Action was originally filed in the Supreme Court of the State of New York, County of New York. Citibank removed the Action to this Court on February 21, 1996.

2. On February 22, 1996, Citibank moved to dismiss the Action on various grounds, including (a) that the case should be litigated in England, (b) that Lloyd's and the managing agents and the member's agents at Lloyd's were necessary and indispensable parties to the litigation, (c) that Plaintiffs' claim for breach of contract failed to state a cause of action, and (d) that Plaintiffs' claim for an accounting should be dismissed. Plaintiffs opposed Citibank's motion. On January 24, 1997, this Court denied in part Citibank's motion, but granted Citibank's motion to dismiss Plaintiffs' claims for breach of contract and an accounting.

3. On March 5, 1997, Plaintiffs filed a Consolidated Amended Complaint (the "Complaint") on behalf of all Names who were beneficiaries of the trusts held by Citibank in connection with the underwriting of American Business. The Complaint alleged, among other things, that Citibank acted as the trustee of the LATF, in which policyholder premiums and other monies were held in trust in connection with the underwriting of American Business. Plaintiffs alleged that each Name that underwrote American Business had money held in trust by Citibank and was a beneficiary of the LATF. Plaintiffs further alleged that Citibank breached its fiduciary duties to the Names for whom it acted as trustee by, among other things: (a) failing to abide by the terms of the Lloyd's American Trust Deed, as amended from time to time ("LATD") including (i) failing to establish individual trust accounts, (ii) commingling the monies of individual trust funds, (iii) improvidently making loans on behalf of beneficiaries who had no obligation to make such loans and without sufficient information to know whether those loans could be repaid by the borrower, and (iv) failing to maintain records of the monies it held on behalf of each

beneficiary; (b) failing to inform the beneficiaries of massive impending losses resulting from asbestos and pollution liabilities of which it was aware; and (c) self-dealing by, among other things, (i) preferring itself over its beneficiaries, and (ii) acquiescing and participating in a purported amendment to the LATD in order to insulate Citibank from liability to the beneficiaries. The Complaint further alleged that Citibank is liable to the beneficiaries and answerable in damages.

4. Citibank denied Plaintiffs' allegations, advanced certain affirmative defenses in opposition to Plaintiffs' claims, and asserted that it is not liable to Plaintiffs or the Class. Among other things, Citibank contended that: (a) it acted in accordance with the express terms of the LATD; (b) it complied with all directions it received from Lloyd's, as it was required by the LATD to do; (c) it did not breach any duties owed to any Name; and (d) no Name suffered any damages by virtue of Citibank's conduct. Citibank also contended that some of the Names who are members of the Class may not have had monies loaned on their behalf, and that some Class Members may have benefitted from the alleged loans to the extent that Lloyd's syndicates in which those Names participated received such loans.

5. On June 25, 1997, Plaintiffs moved to certify a class of Names pursuant to Federal Rule of Civil Procedure 23. On February 6, 1998, this Court granted Plaintiffs' motion. The class as defined at that time was substantially similar to the Class described in Section A of this Notice, except that it did not include officers and directors of Citibank.

6. The Notice of Pendency was sent in July 1998 to all known members of the Class. Pursuant to the Notice of Pendency, Class Members (except for those who would have been Class Members but were excluded because of their affiliation with Citibank) were allowed to submit requests to be excluded from the Class on or before October 1, 1998.

C. BACKGROUND TO THE SETTLEMENT

1. Before entering into the Settlement Agreement, Plaintiffs, by their counsel, conducted an investigation relating to the claims and the underlying events and transactions alleged in the Complaint. Counsel for Plaintiffs and the Class have analyzed the evidence gathered during their informal investigation, pretrial discovery and confirmatory discovery, including the review of approximately 1.8 million pages of documents from Citibank's files, and they have researched the applicable law with respect to the claims of Plaintiffs and the Class against Citibank and the potential defenses to those claims.

2. Plaintiffs, by their counsel, have conducted discussions and arm's-length negotiations with Citibank's counsel with respect to a settlement of the Action, with a view to settling the issues in dispute consistent with the interests of the Class.

3. Based upon their investigation, pretrial discovery and confirmatory discovery, counsel for Plaintiffs and the Class have concluded that the terms and conditions of the Settlement Agreement are fair, reasonable and adequate as to Plaintiffs and the Class, and in their best interests, and have agreed to settle the claims raised in the Action pursuant to the terms and provisions of the Settlement Agreement, after considering (a) the substantial benefits that Plaintiffs and the Class Members will receive from settlement of the Action, (b) the attendant risks of litigation, and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of the Settlement Agreement.

4. Citibank has denied and continues to deny all allegations of wrongdoing or liability whatsoever. Nonetheless, in view of the uncertainties, risks and expense of litigation, Citibank has agreed to settle and terminate all existing or potential claims against it pursuant to the terms and provisions of the Settlement Agreement. In agreeing to settle this Action, Citibank in no way acknowledges any fault or liability.

5. On May 21, 2002, the Court preliminarily approved the Settlement, and it scheduled the Fairness Hearing to consider, among other things, whether the Settlement should be finally approved pursuant to Federal Rule of Civil Procedure 23(e) as fair, reasonable and adequate. Among other things, the Court also ordered the Plaintiffs to provide Class Members with notice of the Fairness Hearing, the terms of the Settlement, and Class Members' rights in connection with the Settlement.

6. The Court has not determined the merits of the Plaintiffs' claims or the defenses to those claims. This Notice does not imply that there has been or would be any finding of violation of the law or that recovery could be had in any amount if the Action were not settled.

D. SETTLEMENT PROCEEDS AND PLAN OF ALLOCATION

1. In full and final settlement of this Action and the Settled Claims (as that term is defined in the Settlement Agreement and in Appendix 1 to this Notice), Citibank will provide a benefit of Twenty Million Dollars (\$20,000,000) to the Class. This benefit will be provided in the form of a Cash Settlement Amount of Eight

Why did the parties decide to settle the Action?

What will the Class receive under the Settlement?

Million Five Hundred Thousand Dollars (\$8,500,000), and Credit Notes having an aggregate principal amount of Eleven Million Five Hundred Thousand Dollars (\$11,500,000).

Net Cash Settlement Fund

2. On May 29, 2002, Citibank paid the Cash Settlement Amount into an interest-bearing escrow on behalf of Plaintiffs and the Class. Under the Settlement Agreement, Milberg Weiss Bershad Hynes & Lerach LLP and Greenberg Traurig, LLP, two of the law firms representing Plaintiffs and the Class, serve as Escrow Agents. The terms of the escrow are set forth in an Escrow Agreement that is itself an exhibit to the Settlement Agreement.

3. The Cash Settlement Amount and any interest earned thereon are together known as the "Cash Settlement Fund." The Cash Settlement Fund shall first be used to pay certain taxes, notice and administration costs, and such fees and expenses as may be awarded to Plaintiffs' Counsel by the Court. (See Section I of this Notice.) The balance of the Cash Settlement Fund after the above payments shall be the Net Cash Settlement Fund.

Net Credit Notes

4. In addition to having paid the Cash Settlement Amount, Citibank shall cause Credit Notes to be provided to Class Members. The Credit Notes shall have the following characteristics:

- (a) They shall be acceptable to and honored by Lloyd's for the payment of any R&R Debt due and owing to Lloyd's by any Class Member. "R&R Debt" means the Name's Equitas Premium and any other outstanding underwriting liabilities covered by his/her Finality Statement plus accrued interest (but without, as non-acceptors of the Lloyd's settlement offer made in July 1996, the benefit of any allocation of the Combined Litigation Settlement Funds, Debt Credits or refund of the members' Special Central Fund Contribution except to the extent provided for in an Action Group Settlement Agreement to which the Name is a party).
- (b) Payment of any R&R Debt by these Credit Notes shall avoid any interest that may otherwise have been owing or charged by Lloyd's on such R&R Debt from July 1, 1999 until presented. For example, if a Class Member had a \$10 R&R Debt as of July 1, 1999, on which Lloyd's would claim \$2.50 of accrued interest as of June 30, 2002, and the Class Member tendered \$10 in Credit Notes on June 30, 2002, such Credit Notes would pay the entire amount of such R&R Debt and all accrued interest.
- (c) The individual Credit Notes shall be freely transferrable among Class Members.
- (d) The Credit Notes shall expire on the first anniversary of the date on which the Court enters the Class Distribution Order (as defined in paragraph 10 of the Settlement Agreement).
- (e) The Credit Notes shall not be redeemable for cash or any other consideration other than to reduce R&R Debt.

5. A portion of the Credit Notes also may be awarded by the Court to Plaintiffs' Counsel as attorneys' fees and expenses. (See Section I of this Notice.) The balance of the Credit Notes net of any Credit Notes awarded to Plaintiffs' Counsel shall be the Net Credit Notes.

6. To facilitate transfers of Credit Notes among Class Members, the Claims Administrator, Gilardi & Co., LLC, will maintain lists where those interested in either selling or purchasing Credit Notes may post their interest in doing so. There is no assurance that any market for such transactions will develop. The Claims Administrator may serve as a clearinghouse for such transactions.

Plan for Allocating the Net Cash Settlement Fund and the Net Credit Notes

7. The Settlement will become effective at such time as Orders entered by the Court approving the Settlement shall become final and no longer subject to appeal (the "Effective Date"). Within 30 days of the Effective Date, Plaintiffs' Co-Lead Counsel will move the Court for a Class Distribution Order, by which the Court will, among other things, authorize distribution of the Net Cash Settlement Fund and the Net Credit Notes.

8. The Net Cash Settlement Fund and the Net Credit Notes will be distributed to all Class Members, excluding those who have timely requested exclusion from the Class and who have not accepted the opportunity to rejoin the Class, as described in Section F of this Notice. The distribution will begin after entry of the Class Distribution Order, after all taxes and administration costs have been paid, and after any and all disputes relating to the Settlement (including any disputes concerning attorneys' fees awarded to Plaintiffs' Counsel) are fully and finally resolved.

9. The Net Cash Settlement Fund and the Net Credit Notes will be distributed to Class Members based on the proportion of each Class Member's "Overall Premium Limits" for each year from 1979 to 1996, combined,

When will Settlement proceeds be distributed to Class Members?

How will each Class Member's share of the Settlement proceeds be

calculated?

compared to the Overall Premium Limits for all years from 1979 to 1996, inclusive, for all Class Members, excepting those who have timely requested exclusion from the Class but including Opt-Outs who have timely filed Opt-In Request Forms. Each Class Member's Overall Premium Limits have been determined in accordance with the terms of the Settlement Agreement, and have been provided by Citibank, which in turn had obtained such information from Lloyd's.

10. Each Class Member who receives this Notice should also receive a personalized Statement of Estimated Settlement Distribution showing (a) the Class Member's Overall Premium Limits from 1979 through 1996, inclusive, (b) the combined Overall Premium Limits from 1979 through 1996, inclusive, for all Class Members (including Opt-Outs who may decide to rejoin the Class), and (c) a calculation of the estimated share of the Net Cash Settlement Fund and the Net Credit Notes that the Class Member would receive if the Settlement were finally approved.

11. Please note that the figures contained on your Statement of Estimated Settlement Distribution (other than an individual Class Member's Overall Premium Limits) are only estimates. At least some of those figures will almost certainly change based on a number of factors, including the number of Opt-Outs who timely file Opt-In Request Forms. If you have any questions about your Statement of Estimated Settlement Distribution, or if you did not receive your Statement, please call the Claims Administrator at 1-800-531-1653.

12. If any funds remain in the Net Cash Settlement Fund by reason of uncashed checks or otherwise, then after the Claims Administrator has made reasonable and diligent efforts to have Class Members cash their distribution checks, any balance remaining in the Net Cash Settlement Fund one year after the initial distribution of such funds shall be re-distributed to Class Members who have cashed their checks and who would receive at least \$10.00 from such re-distribution. If, after six months after such re-distribution any funds shall still remain in the Net Cash Settlement Fund, such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Co-Lead Counsel and not affiliated with Plaintiffs' Co-Lead Counsel. If any Credit Notes are returned as undeliverable and after reasonable efforts have been made by the Claims Administrator to locate a better address and no better address has been found, then, commencing six months after the distribution of such Credit Notes, the Claims Administrator may sell or transfer such Credit Notes to other Class Members for such consideration as Plaintiffs' Co-Lead Counsel shall approve, and the proceeds shall be held for the benefit of such unlocated Class Member until the time for re-distribution of the Net Cash Settlement Fund, at which point such proceeds shall be added to the Net Cash Settlement Fund and shall be re-distributed with any balance of the Net Cash Settlement Fund.

E. RELEASE OF CLAIMS, DISMISSAL OF ACTION, AND PRELIMINARY AND PERMANENT INJUNCTIONS

1. If the Court approves the Settlement, the Action will be dismissed on the merits and with prejudice.

2. Under the terms of the Settlement, Plaintiffs and members of the Class, on behalf of themselves, their heirs, executors, administrators, successors, assigns, their trustees in bankruptcy, and any persons they represent, with respect to each and every Settled Claim (as defined in the Settlement Agreement and in Appendix 1 to this Notice), release and forever discharge any Settled Claims against any of the Released Parties (as defined in the Settlement Agreement and in Appendix 1 to this Notice) in any forum world-wide, including but not limited to any judicial, arbitral, regulatory or administrative proceeding.

3. For the purposes of this release, the terms "Released Parties" and "Settled Claims" are defined in the Settlement Agreement. Those definitions are also set forth verbatim in Appendix 1 to this Notice. Class Members are urged to review these definitions in connection with their review of the release.

4. In connection with the release, Plaintiffs and Class Members acknowledge that they are familiar with Section 1542 of the California Civil Code, which provides as follows:

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

Under the proposed Settlement, each of Plaintiffs and Class Members knowingly and voluntarily waives any rights or benefits, if any, under this section and/or under any similar state, federal or foreign statute or principle of common law.

5. The Court has preliminarily enjoined the Plaintiffs, all Class Members, and each of them, and the heirs, executors, administrators, successors, assigns and trustees in bankruptcy of any of them, and anyone who acts or purports to act on their behalf, from filing, commencing, prosecuting, intervening in, or participating in (as

Does the Settlement contain a release of claims?

class members or otherwise) any lawsuit or other proceeding in any jurisdiction that asserts any Settled Claim (as defined in the Settlement Agreement and in Appendix 1 to this Notice) against any of the Released Parties (as defined in the Settlement Agreement and in Appendix 1 to this Notice). Upon final approval of the Settlement, Plaintiffs and Citibank will ask the Court to enter a permanent injunction that will be similar to the preliminary injunction already in force.

F. RIGHT TO REJOIN CLASS FOR PURPOSES OF SETTLEMENT

If I am an Opt-Out, how do I rejoin the Class and participate in the Settlement?

1. All Opt-Outs (Names who were Class Members but who previously requested exclusion from the Class pursuant to the Notice of Pendency) have the opportunity to rejoin the Class for purposes of participating in the Settlement. Persons who previously excluded themselves may rejoin the Class by completing and submitting the "Opt-In Request Form" attached to this Notice as Appendix 2, and by submitting that Form, postmarked on or before July 22, 2002, to: In re Lloyd's American Trust Fund Litigation Opt-In Requests, c/o Gilardi & Co., LLC, Settlement Administrator, P.O. Box 1110, Corte Madera, CA 94976-1110.

2. Persons who submit a timely, valid Opt-In Request Form shall consent to the jurisdiction of this Court and shall be bound by the terms of the Settlement Agreement (including but not limited to the release) and the Final Judgment to be entered herein. **If the proposed Settlement is finally approved, persons who submit timely, valid Opt-In Request Forms shall be entitled to a share of the Net Cash Settlement Fund and Net Credit Notes, and they shall be bound by the terms of the release and the injunctions described in Section E, above.**

G. THE FAIRNESS HEARING, AND THE RIGHTS OF CLASS MEMBERS TO APPEAR AND OBJECT

When will the Fairness Hearing take place?

1. The Court has scheduled the Fairness Hearing to occur on September 10, 2002 at 12:00 noon, before the Honorable Robert W. Sweet, in the United States Courthouse, 500 Pearl Street, New York, New York 10007. The Fairness Hearing may be adjourned from time to time by the Court without further written notice to the Class.

2. At the Fairness Hearing, the Court will determine, among other things, (a) whether to finally approve this Settlement as fair, reasonable and adequate; (b) whether to dismiss the Action and the claims of the Class Members; (c) whether the plan for allocating the Settlement proceeds is fair and reasonable; and (d) whether to enter the permanent injunction described in Section E of this Notice. If the Settlement is approved, the Court will also consider the application of Plaintiffs' Counsel for attorneys' fees and expenses.

Can I object to the proposed Settlement?

3. Any Class Member who wishes to object to the proposed Settlement or any of its terms, including the proposed plan for allocating the Settlement proceeds or Plaintiffs' Counsel's application for fees and expenses, may do so by filing such objection in writing with the Clerk of the Court, United States District Court, 500 Pearl Street, New York, New York 10007. **For any such objection to be considered, it must be received by the Court on or before August 12, 2002.** Each written objection must include the name of this Action and the case number on the top of the first page of the objection. In addition, for any such objection to be considered, it must be served on each of the following counsel on the same date that it is provided to the Court:

Plaintiffs' Co-Lead Counsel:

Sanford P. Dumain, Esq.
Milberg Weiss Bershad
Hynes & Lerach LLP
One Pennsylvania Plaza
New York, New York 10119

Kenneth A. Lapatine, Esq.
Greenberg Traurig, LLP
885 Third Avenue
New York, New York 10022

and

Defendant's Counsel:

Robert N. Shwartz, Esq.
Debevoise & Plimpton
919 Third Avenue
New York, New York 10022

Can I appear at the Fairness Hearing?

4. Any Class Member who files and serves a timely written objection as described above may also appear at the Fairness Hearing either in person or through counsel retained at the Class Member's expense. Class Members or their counsel intending to appear at the Fairness Hearing must serve on the counsel listed in

paragraph 3 above, and file with the Court at the address set forth in paragraph 3 above, no later than August 12, 2002, a Notice of Intention to Appear, setting forth the name of the case, the case number, and the name, address and telephone number of the Class Member (and if applicable, the name, address and telephone number of the Class Member's counsel). Any Class Member who does not timely file and serve a Notice of Intention to Appear will not be permitted to appear at the Fairness Hearing, except for good cause shown. **Class Members do not need to appear at the Fairness Hearing or take any other action to indicate their approval of the proposed Settlement.**

5. Class Members who intend to object to the proposed Settlement or any of its terms, and who desire to present evidence at the Fairness Hearing, must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Fairness Hearing.

6. Only Class Members may object to the proposed Settlement and appear at the Fairness Hearing. Accordingly, those who requested exclusion from the Class pursuant to the May 29, 1998 Notice of Pendency may not object or appear at the Fairness Hearing unless they submit a timely and valid Opt-In Request Form, as described in Section F of this Notice. Similarly, those who request exclusion as described in Section H of this Notice may not object or appear at the Fairness Hearing.

H. EXCLUSION RIGHTS OF CITIBANK OFFICERS AND DIRECTORS

1. In the Court's February 6, 1998 decision certifying a class, Names who also were officers or directors of Citibank were excluded from the definition of the class. By its Order dated May 21, 2002, the Court modified the Class, pursuant to Rule 23(c)(1) of the Federal Rules of Civil Procedure, to include for settlement purposes those Names who are or were at any time Citibank officers or directors and who otherwise meet the criteria for Class membership.

If I am (or was) an officer or director of Citibank, may I exclude myself from the Class at this time?

2. Because Citibank officers and directors were not Class Members when the May 29, 1998 Notice of Pendency was mailed, they have not yet had an opportunity to request exclusion from the Class, but they may do so at this time. If you are a Class Member who is also a present or former officer or director of Citibank, and you wish to exclude yourself from the Class, you must mail a written request for exclusion to Sanford P. Dumain, Esq., at Milberg Weiss Bershad Hynes & Lerach LLP, One Pennsylvania Plaza, New York, New York 10119. **Requests for exclusion must be postmarked on or before July 22, 2002.** If you exclude yourself from the Class, you will not be bound by any judgment, favorable or unfavorable, entered in this litigation.

3. Officers and directors of Citibank who are considering excluding themselves from the Class at this time may be interested in obtaining a copy of the May 29, 1998 Notice of Pendency. A copy of this document may be obtained by contacting the Claims Administrator at 1-800-531-1653.

What happens if I remain a member of the Class?

4. If you are a Class Member who is also a present or former officer or director of Citibank – and you wish to participate in the Settlement – you need do nothing at this time. If you do not request exclusion, you will be bound by any order or judgment, whether favorable or unfavorable, entered by the Court in this Action, and you may enter an appearance in this Action as described in Section G, above. If the proposed Settlement is finally approved, you will be entitled to a share of the Net Cash Settlement Fund and Net Credit Notes, and you will be bound by the terms of the release and the injunctions described in Section E, above.

May I request exclusion from the Class if I am not a Citibank officer or director?

5. **Please note that only officers and directors of Citibank may request exclusion from the Class at this time. All other Class Members were required to submit requests for exclusion postmarked no later than October 1, 1998 in order for those requests to be effective.**

I. ATTORNEYS' FEES, DISBURSEMENTS AND ADMINISTRATIVE EXPENSES

How much of the Cash Settlement Fund and the Credit Notes will be used to cover administrative costs and attorneys' fees and expenses?

1. Prior to the Effective Date, Plaintiffs' Co-Lead Counsel may expend from the Cash Settlement Fund, without approval from the Court or Citibank, up to \$100,000.00 to pay reasonable costs and expenses associated with administration of the Settlement, including but not limited to the costs incurred in providing notice of the Settlement to the Class and the fees charged by the Claims Administrator.

2. At the Fairness Hearing or at such other time as the Court may direct, Plaintiffs' Counsel intend to apply to the Court for an award of attorneys' fees and expenses in the total amount of \$4,350,000 in cash from the Cash Settlement Fund, plus \$1,300,000 in Credit Notes. The "Plaintiffs' Counsel" who will make this application include Plaintiffs' Co-Lead Counsel (whose names and addresses are found in Section G of this Notice), and (a) Abbey, Gardy & Squitieri, LLP, 212 East 39th Street, New York, New York 10016, and (b) Maureen R. Olivo, Esq., 17 Allison Drive, Englewood Cliffs, New Jersey 07632.

3. Plaintiffs' Co-Lead Counsel, without further notice to the Class, may subsequently apply to the Court for additional fees and expenses incurred in connection with administering and distributing the Settlement proceeds to Class Members. All such additional fees and expenses awarded in this Action, if any, will be paid from the Cash Settlement Fund.

J. JURISDICTION OF THE COURT

1. Under the terms of the proposed Settlement, each Class Member is deemed to have submitted to the jurisdiction of the Court, and shall be subject to investigation and discovery under the Federal Rules of Civil Procedure. Such discovery, if any, shall be limited to discovery concerning the Class Member's status as a Class Member and the validity and amount of his or her entitlement to receive a distribution from the Net Cash Settlement Fund and Net Credit Notes.

K. HOW TO OBTAIN ADDITIONAL INFORMATION

1. This Notice contains only a summary of the terms of the proposed Settlement. For a more detailed statement of the Settlement terms and the matters involved in this Action, reference is made to the pleadings, to the Settlement Agreement, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the United States District Court for the Southern District of New York, United States Courthouse, 500 Pearl Street, New York, New York 10007 during regular business hours.

2. ALL INQUIRIES BY CLASS MEMBERS CONCERNING THIS NOTICE OR THE OPT-IN REQUEST FORM SHOULD BE MADE TO THE SETTLEMENT ADMINISTRATOR EITHER BY CALLING 1-800-531-1653, OR BY WRITING TO Lloyd's American Trust Fund, c/o Gilardi & Co. LLC, P.O. Box 1110, Corte Madera, CA 94976-1110.

3. PLEASE DO NOT CALL THE COURT OR THE CLERK OF THE COURT WITH QUESTIONS CONCERNING THE PROPOSED SETTLEMENT.

Dated: New York, New York
June 5, 2002

By Order of the Court

CLERK OF THE COURT