



Mean-Variance Optimization (MVO)

- As investors, we would like to get “a good deal”, specifically, have a portfolio structure that provides the highest return for a given level of risk or viewed differently, the lowest risk for a given level of return
 - These portfolios are said to be ‘efficient’
- The fundamental relationship between return and risk holds that, for any given set of investable assets and holding constraints, there is a boundary, or frontier, that connects all the portfolios which are efficient
- MVO determines the efficient frontier using as inputs expected returns and risks of a number of asset classes, the correlations between the performance of asset classes, and holdings constraints
- MVO was used to generate the Strategic Allocation for the new investment policy*
 - *The policy which includes the restructured and expanded allocation to international equity and 4% allocation to emerging market debt

Assumptions Underlying Our Analysis and Recommendations

- Investment Markets
 - Higher expected returns are associated with higher risk
 - Diversification of asset classes reduces risks for a given level of expected return
 - Diversification permits the seeking of higher returns for a given level of risk
- Investment Philosophy
 - Take risk only where it is likely to be rewarded and the reward is substantial
 - Fee levels should be proportional to value-added
 - Fees for market performance should be low
 - We are willing to pay for a high probability of value-added
 - Consider returns from the market and value-added separately

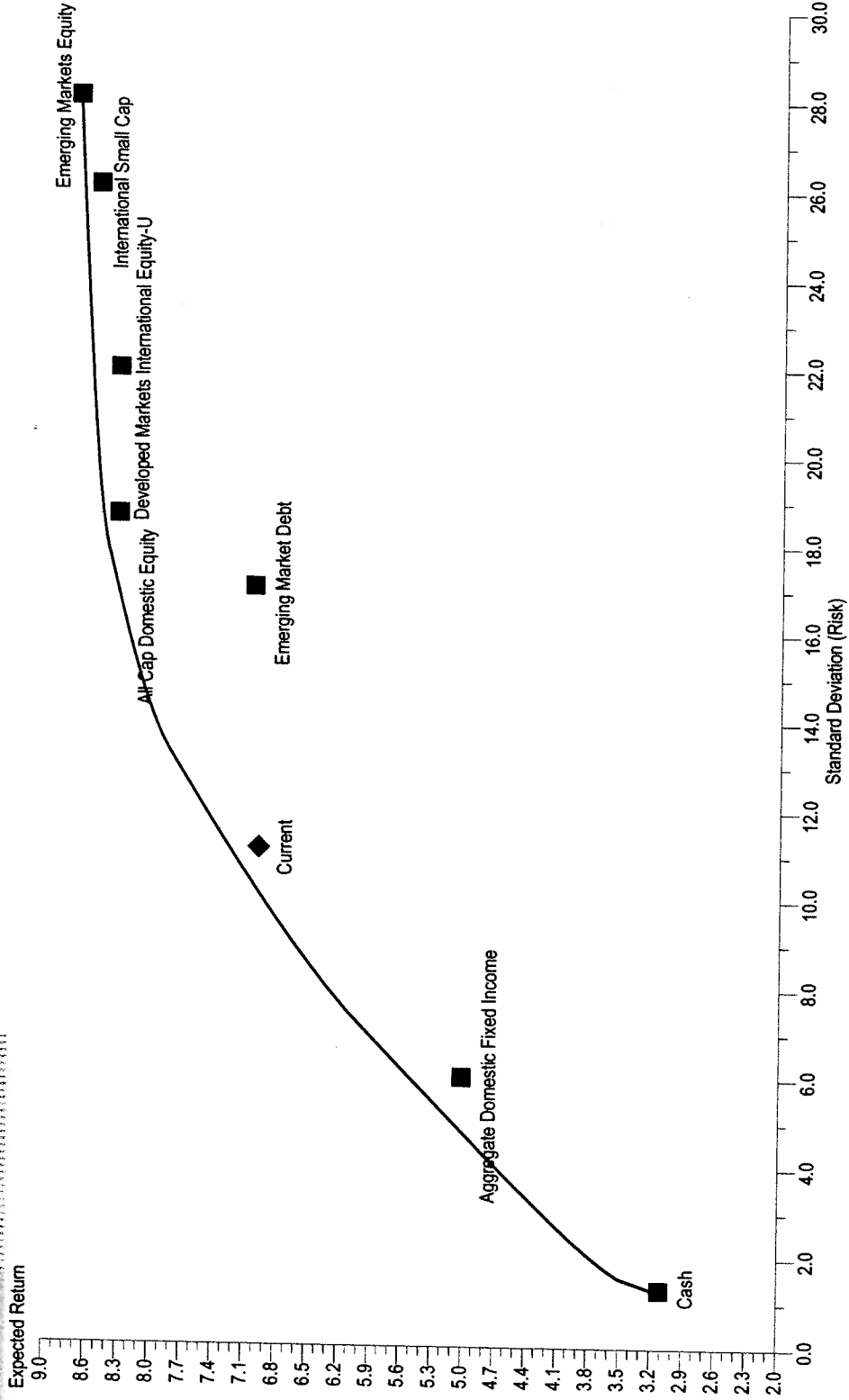
Assumptions Underlying Our Analysis and Recommendations

- Plan is more than US\$1 billion under funded (TBC by actuary)
- Increasing contributions is a strain for the plan sponsors (GovGuam and autonomous agencies)
- Portfolio has large negative external cash flow
 - Benefits exceed contributions
 - Privatization of government functions is reducing membership
- Portfolio has only a limited ability to recover from losses due to negative cash flow and poor funded status
- Trustees are properly risk averse given the fiscal status of the plan and of GovGuam, which has below investment grade credit quality
- GGRF would benefit from increasing the expected return if it can be achieved within an acceptable level of risk
- As a public fund, periods of significant losses are likely to generate pressure to change the strategy



**Expected Returns and Risk from
Current Allocation**

Efficient Frontier Strategic Allocation



Expected Return and Risk Strategic Allocation

Portfolio Statistics

All Cap Domestic Equity	38.00	Strategic Allocation
Developed Markets International Equity-U	13.00	
International Small Cap	3.00	
Emerging Markets Equity	3.00	
Aggregate Domestic Fixed Income	38.00	
Cash	1.00	
Emerging Market Debt	4.00	
Expected Return	6.96	
Standard Deviation	11.10	

Expected Return and Risk Analysis

Strategic Allocation

- The current portfolio is very near the efficient frontier and in the desirable range on that frontier
 - Moving further up the efficient frontier will cause risk to rise at an increasing rate
- Using index-based return and risk, that is assuming no manager value-added, expected return is 6.96% using January 2005 Mercer assumptions
- With a 6.96% expected return and a 11.10% standard deviation, there is 95% probability that losses in a single year will not exceed 15.14%
 - The expected risk level is consistent with the risk tolerance established in the investment policy
 - The expected return level is 0.54% (54 basis points) below the nominal return assumption established in the investment policy
 - The 7.5% actuarial rate of return assumption used in recent years
 - We will need to look to manager performance to make up the 54 bps

Value-Added by Managers

Discussion of Assumptions

- A plan such as the GGRF has sufficient assets to obtain index returns using passive management (index funds) for virtually no cost, i.e. only 3-8 bps in fees
- Plan sponsors retain active managers, paying active fees and accepting active risk in order to receive returns above those available from market indices
- Active management returns are comprised of two portions:
 - Alpha is the value-added return due to manager performance
 - Beta is the return of the asset class in which the manager is investing
- The potential for alpha varies by asset class
 - Some asset classes, those where the market is more efficient, will have little potential for manager value-added or alpha

GGRF Expected Returns and Risks

A: Prudent Person Structure, 60% Equity Limit Retained

Asset Class	Expected	Tracking	GGRF	Mgt	GGRF
	Alpha	Error	Alpha*	Fee	Adj Alpha
All Cap Domestic Equity**	0.40	3.00	0.40	0.28	0.12
International Equity	1.50	7.00	1.50	0.62	0.88
International Small Cap Equity	2.50	9.00	2.50	0.92	1.58
Emerging Market Equity	1.80	9.00	1.80	0.98	0.82
Domestic Fixed Income***	0.00	0.00	0.00	0.06	-0.06
Cash	0.15	0.60	0.15	0.16	-0.01
Emerging Market Debt	0.75	3.00	0.75	0.60	0.15

* GGRF Alpha reflects the impact of holdings restrictions

** Assume passive management of domestic core equity

*** Assume passive management of domestic fixed income

GGRF Expected Returns and Risks

A: Prudent Person Structure, 60% Equity Limit Retained

- GGRF is getting positive value from active management in most asset classes
- Fee expenses are cut substantially which is a certain positive increment to return
- Active management is used where active management has been shown to add value
- Volatility will increase modestly from the all passive (indexed) base case but substantially below the current realistic case (i.e., below the case where the impact of GGRF's holding restrictions is considered)
 - There will be a higher expected return
- Expected return is 7.18% versus 6.97% without the modifications

GGRF Expected Returns and Risks

B: Holding Limits Maintained, Equity Limit Increased to 70%

- Expected return is 7.21% versus 6.97% without the modifications
- Only the present asset classes were considered for this analysis
 - A more complete analysis would consider adding
 - Domestic small cap equity
 - Real estate
 - Non-dollar fixed income
 - These additions would increase return and have only a moderate impact on risk
- The efficient portfolio with the holding limits eliminated (prior page) achieved 7.18% expected return without raising the equity exposure significantly versus the current policy
 - In other words, relaxing the holding limits is worth almost as much to the Fund as 10% additional equity exposure

GGRF Expected Returns and Risks

C: Prudent Person Structure, Equity Limit Increased to 70%

- There is a reasonable portfolio with an expected return of 7.50% versus 6.97% without the modifications
- Additional asset classes considered which would require modification to Statutory Guidelines to a 'Prudent Person' standard
 - Domestic small cap equity
 - Real estate
 - Non-dollar fixed income
- Standard Deviation is somewhat higher than any previous case
- This level of return is likely achievable only with rigorous manager selection as it assumes use of Mercer's 'A-Rated Managers'
- Asset allocation is shown on the next page

Asset Allocation with an Expected Return of 7.5%

Portfolio Statistics

	Expected Rtn 7.5%
All Cap Domestic Equity	27.17
Small Cap Domestic Equity	10.00
Developed Markets International Equity-U	13.20
International Small Cap	5.00
Emerging Markets Equity	5.00
Aggregate Domestic Fixed Income	23.63
Unhedged Non-Dollar Govt Bonds	0.00
Cash	1.00
Emerging Market Debt	5.00
Real Estate - REITS	10.00
Expected Return	7.50
Standard Deviation	14.87

Conclusions

- The present strategic asset allocation, if implemented using purely passive (index) funds, would only generate an expected return of 6.96%, significantly below the actuarial expectation used in the past
 - This allocation can not be implemented as assumed, i.e., using passive (index) funds, under the present Statutory Guidelines
- Costs and limitations in the investment structure imposed by the Statutory Guidelines increases risk significantly with only an insignificant (1 bp) increment to expected return due to active management net of fees
- Of two possible modifications to the Statutory Guidelines, moving to ‘Prudent Person’ to eliminate the holding restrictions versus relaxing the limit on total equity to 70%:
 - Both are valuable and would assist the GGRF in meetings its goals
 - Eliminating the holding limits would in Mercer’s view be more valuable controlling for risk than raising the equity limit if only one change were possible

Conclusions

- If the Statutory Guidelines were modified to both:
 - Eliminate the holding restrictions, and
 - Permit equity exposure of up to 70%
- The Board of Trustees could adopt a policy including a small allocation to real estate with an expected return of at/above 7.5%,
 - Without substantially increasing risk of a negative return compared to the current investment policy
- This 0.5% improvement in expected investment results would reduce the expected level of contributions required from the government by roughly \$6.2 million per year (\$1,239 million times 0.5%) for the next 30+ years
 - Or, expected funded status could be improved for any given level of contributions by \$6.2 million per year
- In other words, a change in Statute is worth more than US\$185 million



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Felix P. Camacho
 Governor

Kaleo S. Moylan
 Lieutenant Governor

Paula M. Blas
 Acting Director

Trustees:

Joe T. San Agustin
 Chairman

Dr. Wilfred P. Leon Guerrero
 Vice-Chairman
 Investment Committee, Chairman

James J. Taylor, Ph.D.
 Secretary
 Investment Committee, Vice-Chairman

Katherine T.E. Taitano
 Trustee
 Treasurer

George A. Santos
 Trustee
 Members' & Benefits Committee, Chairman

Anthony C. Blaz
 Trustee
 Audit & Operations Committee, Chairman

Gerard A. Cruz
 Trustee

May 15, 2006

The Honorable Mark Forbes
 Speaker
 I Mina' Bente Ocho Na Liheslaturan Guåhan
 155 Hesler Place
 Hagåtña, Guam 96910

Office of the Speaker
 MARK FORBES
 Date: 5/16/06
 Time: 10:30 AM
 Rec'd by: [Signature]
 Print Name: [Signature]

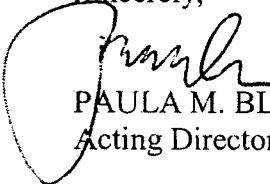
Re: Testimony on Bills 295 and 296
 Additional Documentation

Dear Mr. Speaker:

At the Public Hearing for Bills 295 and 296, additional documentation was requested by the Committee on General and Omnibus Matters pertaining to any class action lawsuits that the Fund has taken part in. Enclosed please find copies of the Pendency and Partial Settlements of Class Action lawsuits for (1) Enron Corp.; (2) Household International; and (3) Bristol-Myers Squibb Co. that the Government of Guam Retirement Fund is currently a Plaintiff

If you require additional information, please do not hesitate to contact me or my office at 475-8900/01.

Sincerely,


 PAULA M. BLAS
 Acting Director

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re ENRON CORPORATION SECURITIES, DERIVATIVE &
"ERISA" LITIGATION

This Document Relates To:

MARK NEWBY, *et al.*, individually and on behalf of all others
similarly situated,

Plaintiffs,

vs.

ENRON CORP., *et al.*

Defendants.

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, *et al.*,
individually and on behalf of all others similarly situated,

Plaintiffs,

vs.

KENNETH L. LAY, *et al.*,

Defendants.

WASHINGTON STATE INVESTMENT BOARD, *et al.*,
individually and on behalf of all others similarly situated,

Plaintiffs,

vs.

KENNETH L. LAY, *et al.*,

Defendants.

CONSECO ANNUITY ASSURANCE COMPANY, individually
and on behalf of all others similarly situated,

Plaintiffs,

vs.

CITIGROUP, INC., *et al.*,

Defendants.

MDL 1446

Civil Action No. H-01-3624

(Consolidated)

Civil Action No. H-02-3401

Civil Action No. H-03-2240

NOTICE OF PENDENCY AND PARTIAL SETTLEMENTS OF CLASS ACTION

TO: ALL PERSONS WHO PURCHASED OR ACQUIRED EQUITY OR DEBT SECURITIES OF ENRON CORPORATION (INCLUDING ALL SECURITIES ISSUED BY ENRON-RELATED ENTITIES, THE VALUE OR REPAYMENT OF WHICH WAS DEPENDENT ON THE CREDIT, FINANCIAL CONDITION, OR ABILITY TO PAY OF ENRON CORPORATION) ("ENRON SECURITIES" AS FURTHER DEFINED BELOW) DURING THE PERIOD FROM SEPTEMBER 9, 1997 THROUGH AND INCLUDING DECEMBER 2, 2001

This Notice of Pendency and Partial Settlements of Class Action (the "Notice") is given pursuant to Rule 23 of the Federal Rules of Civil Procedure to inform you of the proposed partial settlements of the Actions (collectively, the "Settlements," and each a "Settlement"), and the hearing (the "Settlement Hearing") to be held by the United States District Court for the Southern District of Texas (the "Court") to consider the fairness, reasonableness and adequacy of the Settlements as set forth in (1) the Stipulation of Settlement among the Representative Plaintiffs and the Citigroup Defendants (as further defined below), dated as of January 27, 2006 (the "Citigroup Stipulation"); (2) the Stipulation of Settlement among the Representative Plaintiffs and the JPMorgan Chase Defendants (as further defined below, and sometimes referred to herein as "JPMorgan Chase"), dated as of January 27, 2006 (the "JPMorgan Chase Stipulation"); and (3) the Stipulation of Settlement among the Representative Plaintiffs and the CIBC Defendants (as further defined below),

dated as of August 2, 2005 (the "CIBC Stipulation") (collectively, the "Stipulations," and each a "Stipulation"), all on file with the Court. All capitalized terms not defined prior to their use in this Notice have the meanings set forth in Section IX, below.

TO THOSE PERSONS WHO BOUGHT ENRON EQUITY OR DEBT SECURITIES DURING THE PERIOD SEPTEMBER 9, 1997 TO DECEMBER 2, 2001: IF YOU REMAIN IN THE SETTLEMENT CLASS AND DO NOT OPT OUT, YOU ARE RELEASING CLAIMS AND ANY RESULTING DAMAGES FOR PURCHASES/SALES/HOLDING OF ENRON SECURITIES PRIOR TO SEPTEMBER 9, 1997 AND AFTER DECEMBER 2, 2001 AND YOU WILL RECEIVE NO COMPENSATION FROM THESE SETTLEMENTS FOR THOSE TRANSACTIONS BEFORE SEPTEMBER 9, 1997 AND AFTER DECEMBER 2, 2001. THE PROCEEDS FROM THE SETTLEMENTS WILL ONLY BE ALLOCATED AMONG CLAIMANTS FOR THEIR DAMAGES ATTRIBUTABLE TO TRANSACTIONS IN ENRON SECURITIES DURING THE PERIOD FROM SEPTEMBER 9, 1997 TO DECEMBER 2, 2001.

I. STATEMENT OF PLAINTIFFS' RECOVERY

The Settlements will result in the creation of a combined cash settlement fund in the aggregate principal amount of Six Billion Six Hundred Million Dollars (\$6,600,000,000), subject to certain adjustments described below, plus any interest that may accrue thereon (the "Combined Settlement Amount"), as follows:

(A) The settlement of the Actions as set forth in the Citigroup Stipulation (the "Citigroup Settlement") will result in the creation of a cash settlement fund in the aggregate principal amount of Two Billion Dollars (\$2,000,000,000), subject to certain adjustments described below, plus any interest that may accrue thereon (the "Citigroup Settlement Amount"), plus a "Citigroup Additional Expense Amount" of Ten Million Dollars (\$10,000,000).

(B) The settlement of the Actions as set forth in the JPMorgan Chase Stipulation (the "JPMorgan Chase Settlement") will result in the creation of a cash settlement fund in the aggregate principal amount of Two Billion Two Hundred Million Dollars (\$2,200,000,000), subject to certain adjustments described below, plus any interest that may accrue thereon (the "JPMorgan Chase Settlement Amount"), plus a "JPMorgan Chase Additional Expense Amount" of Ten Million Dollars (\$10,000,000).

(C) The settlement of the Actions as set forth in the CIBC Stipulation (the "CIBC Settlement") will result in the creation of a cash settlement fund in the aggregate principal amount of Two Billion Four Hundred Million Dollars (\$2,400,000,000), subject to certain adjustments described below, plus any interest that may accrue thereon (the "CIBC Settlement Amount").

The Combined Settlement Amount, subject to deduction for, among other things, costs of class notice and administration and certain taxes and tax related expenses (with respect to the Citigroup Settlement Amount and/or JPMorgan Chase Settlement Amount only, not otherwise covered by the Citigroup Additional Expense Amount and/or the JPMorgan Chase Additional Expense Amount) and for attorneys' fees, costs and expenses as approved by the Court, will be available for distribution to Settlement Class Members (as defined below). Your recovery from these funds will depend on a number of variables, including the number and type of Enron Securities you purchased during the period September 9, 1997 to December 2, 2001 and the timing of your purchases and any sales. Depending on the number of eligible shares of common or preferred stock purchased by Settlement Class Members who elect to participate in the Settlements, when those shares were purchased and/or sold and the potential adjustments described in Sections XII.A.2, XII.B.2, and XII.C.2 below, Plaintiffs currently estimate the average distribution per common or preferred share will be approximately \$7.89 and \$16.37, respectively, before deduction of Court-approved fees and expenses.

II. STATEMENT OF POTENTIAL OUTCOME

Representative Plaintiffs and the Settling Defendants do not agree on the average amount of damages per share that would have been recoverable from the Settling Defendants if Representative Plaintiffs were to have prevailed on each claim asserted. The issues on which the parties disagree are many, but include: (1) whether the Settling Defendants engaged in conduct that would give rise to any liability to the Settlement Class under the federal securities laws, or any other laws; (2) whether the Settling Defendants have valid defenses to any such claims of liability; (3) the appropriate economic model for determining the amount by which the Enron Securities were allegedly artificially inflated (if at all) during the Settlement Class Period; (4) the amount by which Enron Securities were allegedly artificially inflated (if at all) during the Settlement Class Period; (5) the effect of various market forces influencing the trading price of Enron Securities at various times during the Settlement Class Period; (6) the extent to which external factors, such as general market conditions, influenced the trading price of Enron Securities at various times during the Settlement Class Period; (7) the extent to which the various matters that Representative Plaintiffs alleged were materially false or misleading influenced (if at all) the trading price of Enron Securities at various times during the Settlement Class Period; (8) the extent to which the various allegedly adverse material facts that Representative Plaintiffs alleged were omitted influenced (if at all) the trading price of Enron Securities at various times during the Settlement Class Period; and (9) whether the statements made or facts allegedly omitted were false, material or otherwise actionable under the federal securities or other laws.

III. STATEMENT OF ATTORNEYS' FEES AND EXPENSES SOUGHT

A. The Citigroup Settlement

At a future date, upon further notice to the Settlement Class, counsel for the Lead Plaintiff, The Regents of the University of California ("The Regents"), will apply to the Court for an award of attorneys' fees from the Citigroup Settlement Amount. No attorneys' fees are being sought by counsel for the Lead Plaintiff at this time. However, the Citigroup Stipulation provides for the allocation of Thirty Million Dollars (\$30,000,000) (the "Citigroup Initial Settlement Amount" as further defined below) of the Citigroup Settlement Amount for reimbursement of expenses incurred and expected to be incurred by Plaintiffs' Settlement Counsel in prosecuting the Actions. The Court will be asked to approve the establishment of the Citigroup Initial Settlement Amount at the Settlement Hearing. Counsel for the plaintiff in the action entitled *Conseco Annuity Assurance Co. v. Citigroup, Inc., et al.*, No. H-03-2240 (S.D. Tex.), which plaintiff, for purposes of the Citigroup Settlement, has been designated a class representative for the Enron Securities it purchased, will apply for an award of fees not to exceed Four Million Six Hundred Thousand Dollars (\$4,600,000) and Three Million Dollars (\$3,000,000) in expenses. These amounts, as awarded by the Court, will be paid solely from the Citigroup Additional Expense Amount and not from the Citigroup Settlement Amount. If awarded as requested, the average cost per common and preferred share would be approximately \$0.01 for each common and preferred share. In addition, at the Settlement Hearing the Court will be asked to approve the reimbursement to The Regents of expenses incurred directly by it (primarily for consultants and advisors) in connection with the prosecution of this litigation. The amount sought will not exceed Four Million Dollars (\$4,000,000) and, if awarded, an equitable portion will be paid from the Citigroup Settlement Amount and the balance will be equitably allocated to and paid from the JPMorgan Chase Settlement and the CIBC Settlement described below.

B. The JPMorgan Chase Settlement

At a future date, upon further notice to the Settlement Class, counsel for the Lead Plaintiff, The Regents, will apply to the Court for an award of attorneys' fees from the JPMorgan Chase Settlement Amount. No attorneys' fees are being sought by counsel for the Lead Plaintiff at this time. However, the JPMorgan Chase Stipulation provides for the allocation of Thirty Million Dollars (\$30,000,000) (the "JPMorgan Chase Initial Settlement Amount" as further defined below) of the JPMorgan Chase Settlement Amount for reimbursement of expenses incurred and expected to be incurred by Plaintiffs' Settlement Counsel in prosecuting the Actions. The Court will be asked to approve the establishment of the JPMorgan Chase Initial Settlement Amount at the Settlement Hearing. As discussed above, at the Settlement Hearing the Court will also be asked to approve the reimbursement to The Regents of certain expenses.

C. The CIBC Settlement

At a future date, upon further notice to the Settlement Class, counsel for the Lead Plaintiff, The Regents, will apply to the Court for an award of attorneys' fees from the CIBC Settlement Amount. No attorneys' fees are being sought by counsel for the Lead Plaintiff at this time. As discussed above, at the Settlement Hearing the Court will be asked to approve the reimbursement to The Regents of certain expenses.

IV. REASONS FOR SETTLEMENT

The Representative Plaintiffs and their counsel believe that these Settlements are fair, reasonable, and adequate to the Members of the Settlement Class. The Representative Plaintiffs and their counsel have reached this conclusion after investigating and considering, among other things, the strengths and weaknesses of the Representative Plaintiffs' claims against the Settling Defendants and the Settling Defendants' defenses to those claims, the uncertainties of this complex litigation, and the benefit provided by the Settlement to the members of the Settlement Class. See Section VII.

V. IDENTIFICATION OF ATTORNEYS' REPRESENTATIVES

Any questions regarding the Settlements should be directed to Plaintiffs' Settlement Counsel's staff:

RICK NELSON
LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
655 W. Broadway, Suite 1900
San Diego, CA 92101-3301
Telephone: (800) 449-4900

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO PROPOSED PARTIAL SETTLEMENTS OF THESE ACTIONS AND, IF YOU ARE A SETTLEMENT CLASS MEMBER, CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHTS CONCERNING THE SETTLEMENTS AS FURTHER DESCRIBED BELOW.

EXCLUSION DEADLINE: REQUESTS FOR EXCLUSION MUST BE SUBMITTED SO AS TO BE RECEIVED NO LATER THAN APRIL 21, 2006. SECURITIES BROKERS AND OTHER NOMINEES: PLEASE SEE THE INSTRUCTIONS ON PAGES 10-11 BELOW.

VI. BACKGROUND OF THE LITIGATIONS

Beginning on October 22, 2001, purported class actions were commenced in the Court asserting claims under the federal securities laws and other laws against Enron, certain of its officers and directors, Vinson & Elkins, L.L.P., and Arthur Andersen LLP and certain of its employees and affiliates. By Order dated December 12, 2001, the federal securities cases were consolidated under Civil Action No. H-01-3624, *Newby v. Enron Corp., et al.*, as the lead case. By Memorandum and Order dated February 15, 2002, the Court appointed The Regents of the University of California as Lead Plaintiff and the firm of Milberg Weiss Bershad Hynes & Lerach LLP (currently Lerach Coughlin Stoia Geller Rudman & Robbins LLP) as Lead Counsel.

On April 8, 2002, Lead Plaintiff filed a Consolidated Complaint in the *Newby* Action asserting claims against the Settling Defendants and other defendants. Lead Plaintiff and the other Representative Plaintiffs in the *Newby* Action purport to represent a class consisting of purchasers of Enron's equity and debt securities (including securities of entities related to Enron) between October 19, 1998 and November 27, 2001. Plaintiffs assert claims against the Settling Defendants under §§ 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "1934 Act") and Rule 10b-5 promulgated thereunder, and §§ 12(a)(2) and 15 of the Securities Act of 1933 (the "1933 Act") (with respect to purchasers of Foreign Debt Securities); against the Citigroup Defendants under §§ 11 and 15 of the 1933 Act (with respect to purchasers of Enron Corp.'s 7% Exchangeable Notes due July 31, 2002 and Enron Corp.'s Zero Coupon Convertible Senior Notes due 2021); against the CIBC Defendants under §§ 11 and 15 of the 1933 Act (with respect to purchasers of Enron Corp.'s 7.37% Exchangeable Notes due May 15, 2019); and against the JPMorgan Chase Defendants under Article 581-33(A)(2) of the Texas Securities Act.

On May 8, 2002, the Settling Defendants each moved to dismiss the claims asserted against them in the *Newby* Consolidated Complaint on the ground that the Consolidated Complaint failed to state a claim upon which relief could be granted because plaintiffs failed to allege facts that would sustain a claim that the Settling Defendants engaged in any actionable conduct. On December 20, 2002, the Court denied the Settling Defendants' motions to dismiss.

On May 14, 2003, Lead Plaintiff filed a First Amended Consolidated Complaint. On June 18, 2003, the Settling Defendants each moved to dismiss certain of the claims asserted against them in the First Amended Consolidated Complaint. On March 31, 2004, the Citigroup Defendants' and CIBC Defendants' motions were denied. On April 5, 2004, the JPMorgan Chase Defendants' motion was denied. On April 19, 2004, the JPMorgan Chase Defendants filed a motion for reconsideration of the Court's April 5, 2004 Order, which was denied by the Court on June 14, 2005. The Citigroup Defendants and CIBC Defendants filed answers to the First Amended Consolidated Complaint in May 2004.

On May 28, 2003, Lead Plaintiff filed an amended motion for class certification. Following discovery, the Settling Defendants and other financial institution defendants filed papers opposing Lead Plaintiff's motion. The Court has not yet ruled on the motion.

On April 11, 2005, each of the Settling Defendants filed Cross-Claims and Third-Party Complaint for Contribution and Indemnification in the *Newby* Action against certain cross-defendants and third-party defendants.

In June 2005, the Citigroup Defendants and the JPMorgan Chase Defendants each moved for partial judgment on the pleadings dismissing the claims asserted against them under §§ 10(b) and 20(a) of the 1934 Act and Rule 10b-5 thereunder. Plaintiffs' time to respond had not run when agreements in principle to settle were reached. The Court declared the motions moot due to the Settlements.

Plaintiffs commenced the *WSIB* Action on September 9, 2002. Plaintiffs in that Action purport to represent a class consisting of purchasers of Enron's equity and debt securities between September 9, 1997 and October 18, 1998. Plaintiffs assert claims against the Settling Defendants under §§ 10(b) and 20(a) of the 1934 Act and Rule 10b-5 promulgated thereunder, and §§ 11 and 15 of the 1933 Act. On October 17, 2002, the Court consolidated the *WSIB* Action into the *Newby* Action. On October 15, 2003, plaintiffs filed an Amended Complaint in which CIBC was no longer named as a defendant.

On November 14, 2003, the Citigroup Defendants, the JPMorgan Chase Defendants, and other defendants moved to dismiss the *WSIB* Action on the ground that the claims asserted therein were untimely and on the further ground that the Complaint failed to state a claim upon which relief could be granted. On February 18, 2005, the Court granted the motions to dismiss on the ground that plaintiffs' claims were untimely, without reaching the Citigroup Defendants' and JPMorgan Chase Defendants' alternative arguments.

The *Conseco* Action was commenced on March 5, 2003. Plaintiff in that action purports to represent a class consisting of purchasers of Yosemite \$750,000,000 8.25% Series 1999-A Linked Enron Obligations due 2004, Yosemite £200,000,000 8.75% Series 2000-A Linked Enron Obligations due 2007, Enron Credit Linked Notes \$500,000,000 8% due 2005, Enron Euro Credit Linked Notes Trust €200,000,000 6.5% due 2006, Enron Credit Linked Notes II \$500,000,000 7.375% due 2006, and Enron Sterling Credit Linked Notes Trust £125,000,000 7.25% due 2006 between November 4, 1999

and December 3, 2001. Plaintiff asserts claims against the Citigroup Defendants under §§ 10(b) and 20(a) of the 1934 Act and Rule 10b-5 promulgated thereunder; and §§ 12(a)(2) and 15 of the 1933 Act.

In connection with the Citigroup Settlement, the named plaintiff in the *Conseco* Action has agreed to consolidate the *Conseco* Action with the *Newby* Action for all purposes, delete all separate class action allegations from its complaint, and, so designated by the Court, act as a class representative for the Foreign Debt Securities it purchased, subject to the authority of The Regents as Lead Plaintiff.

Plaintiffs' Counsel have conducted an extensive investigation regarding the claims asserted against the Settling Defendants in the Actions. Among other things, Plaintiffs' Counsel have reviewed and analyzed approximately 2.3 million pages of documents relating to Enron produced by the Citigroup Defendants, approximately 4.2 million pages of documents relating to Enron produced by the JPMorgan Chase Defendants, approximately 2.16 million pages of documents relating to Enron produced by the CIBC Defendants, and additional millions of pages produced by Enron, other Defendants, and third parties; reviewed and analyzed the Settling Defendants' responses to interrogatories and requests for admission; and take or participated in the depositions of 372 witnesses, including 27 witnesses currently or formerly affiliated with the Citigroup Defendants, 27 witnesses currently or formerly affiliated with the JPMorgan Chase Defendants, and 12 witnesses currently or formerly affiliated with the CIBC Defendants. Plaintiffs' Counsel have also reviewed and analyzed the reports and other materials about Enron issued by the Special Investigative Committee of the Board of Directors of Enron Corporation; the Permanent Subcommittee of Investigations of the Senate Committee on Governmental Affairs and its staff; the Court Appointed Bankruptcy Examiners of Enron Corporation and Enron North America Corporation; and the judgment in *Mahoni Limited & JPMorgan Chase Bank v. West LB AG* (English High Court of Justice, Queens Bench Division, 2 August 2004); as well as other information available to them. Plaintiffs' Counsel are also aware of settlements entered into between the Settling Defendants and certain regulatory and enforcement bodies, including the Federal Reserve Bank of New York and the Securities and Exchange Commission; with respect to the Citigroup Defendants and the JPMorgan Chase Defendants only, the New York State Banking Department and the New York County District Attorney; and, with respect to the CIBC Defendants only, the Canadian Office of the Superintendent of Financial Institutions and the United States Department of Justice. Plaintiffs' Counsel have also consulted extensively with experts to review and advise on the issues pertinent to plaintiffs' claims against the Settling Defendants and the other Defendants in the Actions, including the damages that Plaintiffs' Counsel would seek to prove at a trial of the Actions.

VII. BACKGROUND OF THE SETTLEMENTS

The Representative Plaintiffs, by their counsel, have conducted arm's-length negotiations separately with counsel for each of the Settling Defendants with a view toward settling the issues in dispute and achieving the best result possible for the Settlement Class.

Based upon their investigation, counsel for the Representative Plaintiffs have concluded that the terms of the Settlements as set forth in the Stipulations are fair, reasonable, and adequate to the Representative Plaintiffs and the Settlement Class, and in the best interest of the Representative Plaintiffs and the Settlement Class, and have agreed to settle the Actions as to the Settling Defendants pursuant to the terms and provisions of the Stipulations, after considering (i) the benefits that the Representative Plaintiffs and the Settlement Class will receive from the Settlements; (ii) the attendant risks of litigation; and (iii) the desirability of permitting the Settlements to be consummated as provided by the terms of the Stipulations.

VIII. THE SETTling DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

A. The Citigroup Defendants

The Citigroup Defendants have denied and continue to deny each and all of the claims and allegations of wrongdoing made by the Representative Plaintiffs in the Actions, and maintain that they have meritorious defenses. The Citigroup Defendants have expressly denied and continue to deny all charges of wrongdoing, violation of law, or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Actions. The Citigroup Defendants also have denied and continue to deny the allegations that the Representative Plaintiffs or any Settlement Class Members were harmed by any conduct by them alleged in the Actions or otherwise. The Citigroup Defendants have determined to enter into the Citigroup Stipulation solely to eliminate the uncertainties, burden, and expense of further litigation. The Citigroup Stipulation shall in no event be construed as or deemed to be evidence of an admission or concession by the Citigroup Defendants with respect to any claim of any fault or liability or wrongdoing or damage whatsoever.

B. The JPMorgan Chase Defendants

The JPMorgan Chase Defendants have denied and continue to deny each and all of the claims and allegations of wrongdoing made by the Representative Plaintiffs in the Actions, and maintain that they have meritorious defenses. The JPMorgan Chase Defendants have expressly denied and continue to deny all charges of wrongdoing, violation of law, or

liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Actions. The JPMorgan Chase Defendants also have denied and continue to deny the allegations that the Representative Plaintiffs or any Settlement Class Members were harmed by any conduct by them alleged in the Actions or otherwise. The JPMorgan Chase Defendants have determined to enter into the JPMorgan Chase Stipulation solely to eliminate the uncertainties, burden, and expense of further litigation. The JPMorgan Chase Stipulation shall in no event be construed as or deemed to be evidence of an admission or concession by the JPMorgan Chase Defendants with respect to any claim of any fault or liability or wrongdoing or damage whatsoever.

C. The CIBC Defendants

The CIBC Defendants have denied and continue to deny each and all of the causes of action and claims of liability asserted by the Representative Plaintiffs in the Actions, and the CIBC Defendants maintain that they have meritorious defenses to all claims and causes of action asserted by the Representative Plaintiffs. The CIBC Defendants expressly deny and continue to deny all claims of liability against the CIBC Defendants arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Actions. The CIBC Defendants have denied and continue to deny the allegations that the Representative Plaintiffs or any Settlement Class Members were damaged by any conduct by the CIBC Defendants alleged in the Actions or otherwise. The CIBC Defendants have determined to enter into the CIBC Stipulation solely to eliminate the uncertainties, burden, and expense of further litigation. As set forth in paragraph 8.2 of the CIBC Stipulation, the CIBC Stipulation shall in no event be construed as or deemed to be evidence of an admission or concession by the CIBC Defendants with respect to any claim of any fault or liability or damage whatsoever.

* * *

THIS NOTICE IS NOT INTENDED TO BE, AND SHOULD NOT BE CONSTRUED AS, AN EXPRESSION OF ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THE ACTIONS AS TO ANY OF THE SETTLING DEFENDANTS OR THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED BY OR AGAINST ANY OF THE SETTLING DEFENDANTS. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PENDENCY OF THE ACTIONS AND THE PROPOSED PARTIAL SETTLEMENTS THEREOF AND OF YOUR RIGHTS IN CONNECTION THEREWITH.

IX. DEFINITIONS

As used in this Notice, the following terms have the meanings specified below. Any capitalized terms not specifically defined in this Notice shall have the meanings set forth with respect to any particular Settlement for such terms in the relevant Stipulation. In the event of any inconsistency between any definition set forth below or elsewhere in this Notice and any definition set forth in the relevant Stipulation, the definition set forth in the relevant Stipulation shall control.

1. "Actions" means the *Newby* Action, the *WSIB* Action, the *Milbank* Action, the *Royal Bank of Canada* Action, and the *Toronto-Dominion* Action. In addition to the foregoing, with respect to the Citigroup Settlement only, "Actions" also includes the *Conseco* Action.

2. "Authorized Claimant" means any Settlement Class Member who, in accordance with the terms of any of the Stipulations, is entitled to a distribution from any of the Gross Settlement Funds pursuant to any Plan of Allocation approved by the Court or any order of the Court.

3. "CIBC Defendants" means Canadian Imperial Bank of Commerce and its present and former parents, subsidiaries, divisions and affiliates (including but not limited to CIBC World Markets Corp. f/k/a CIBC Oppenheimer Corp., CIBC World Markets plc f/k/a CIBC Wood Gundy plc, and CIBC Inc.). When used herein with reference to a specific Action, the term "CIBC Defendants" means those entities included in the definition of CIBC Defendants that are named defendant in that Action.

4. "CIBC Discharge Date" means the earliest date by which all of the events specified in paragraph 7.1 of the CIBC Stipulation have occurred.

5. "CIBC Escrow Account" means the interest-bearing account designated by Plaintiffs' Settlement Counsel and maintained by the Escrow Agent, into which the CIBC Settlement Amount shall be deposited.

6. "CIBC Gross Settlement Fund" means the CIBC Settlement Amount plus any interest that may accrue thereon.

7. "CIBC Net Settlement Fund" means the balance of the CIBC Gross Settlement Fund after payment of the items set forth in Sections XII.C.1 and XIV, below.

8. "CIBC Releasees" means, in any capacity, Canadian Imperial Bank of Commerce and its present and former parents, subsidiaries, divisions, and affiliates (including but not limited to CIBC World Markets Corp. f/k/a CIBC Oppenheimer Corp., CIBC World Markets plc f/k/a CIBC Wood Gundy plc, and CIBC Inc.); each of their respective present and former employees, officers, directors, attorneys, accountants, insurers, and agents; any person or entity that was or affiliated with, or has or had a controlling interest in, any of the foregoing; and the predecessors, heirs, successors, assigns of each of the foregoing. The term "CIBC Releasees" shall not include any Non-Settling Defendants.

9. "CIBC Settlement Amount" means Two Billion Four Hundred Million Dollars (\$2,400,000,000.00) in cash, subject to adjustment as described below, plus interest on the unfunded portion at the Federal Funds Rate, from August 2005 to the respective dates of funding under paragraph 2.1 of the CIBC Stipulation.

10. "Citigroup Additional Expense Amount" means Ten Million Dollars (\$10,000,000.00), which has been funded to the Citigroup Escrow Account, to cover administrative and other expenses in connection with the Citigroup Settlement. The Citigroup Additional Expense Amount shall be in addition to, and not included in, the Citigroup Settlement Amount.

11. "Citigroup Defendants" means Citigroup Inc., Citibank, N.A., Citicorp, Citigroup Global Markets Inc. (f/k/a Salomon Smith Barney Inc.), Citigroup Global Markets Limited (f/k/a Salomon Brothers International Limited), and Schroder Salomon Smith Barney. When used herein with reference to a specific Action, the term "Citigroup Defendants" means the parties of the Citigroup Defendants that are named defendants in that Action.

12. "Citigroup Escrow Account" means the interest-bearing account designated by Plaintiffs' Settlement Counsel as a financial institution acceptable to the Citigroup Defendants, and maintained by the Escrow Agent, into which the Citigroup Settlement Amount and the Citigroup Additional Expense Amount shall be deposited.

13. "Citigroup Gross Settlement Fund" means the sum of the Citigroup Settlement Amount and the Citigroup Additional Expense Amount, plus any interest that may accrue thereon.

14. "Citigroup Initial Settlement Amount" means Thirty Million Dollars (\$30,000,000.00), to be funded to the Citigroup Escrow Account in the Citigroup Settlement as provided in the Citigroup Stipulation. The Citigroup Initial Settlement Amount shall be paid from, and shall not be in addition to, the Citigroup Settlement Amount.

15. "Citigroup Net Settlement Fund" means the balance of the Citigroup Gross Settlement Fund after payment of the items set forth in Sections XII.A.1 and XIV, below.

16. "Citigroup Releasees" means Citigroup Inc.; its present and former parents, subsidiaries, divisions, and affiliates (including but not limited to Citibank, N.A., Citicorp, Citigroup Global Markets Inc., Citigroup Global Markets Limited, and Schroder Salomon Smith Barney); each of their respective present and former employees, officers, directors, attorneys, accountants, insurers, and agents; any person or entity that was or is affiliated with, or has or had a controlling interest in, any of the foregoing; and the predecessors, heirs, successors, and assigns of each of the foregoing. Solely for purposes of the Citigroup Stipulation, and without limiting the foregoing definition, the term "Citigroup Releasees" shall include Delta Energy Corporation and its officers, directors, and agents. The term "Citigroup Releasees" shall not include any person who was a Non-Settling Defendant as of the date of the Citigroup Stipulation.

17. "Citigroup Settlement Amount" means Two Billion Dollars (\$2,000,000,000.00) in cash, subject to adjustment as described below, plus interest on the unfunded portion at the Federal Funds Rate, from June 9, 2005 to the respective dates of funding under paragraph 2.1 of the Citigroup Stipulation.

18. "Conseco Action" means the action entitled *Conseco Annuity Assurance Co. v. Citigroup, Inc. et al.*, No. H-03-2240 (S.D. Tex.).

19. "Court" means the United States District Court for the Southern District of Texas, Houston Division.

20. "Defendants" means each and all of the defendants and third-party defendants that have been or may hereafter be named in any of the complaints in the Actions.

21. "Effective Date" means, with respect to the Citigroup Settlement and the JPMorgan Chase Settlement, the earliest date by which all of the events and conditions specified in the respective Stipulation have occurred or have been met.

22. "Enron" means Enron Corporation and all of its past and present parents, subsidiaries, divisions, joint ventures, predecessors, successors, assigns, related, or affiliated entities, and any entity in which any of them has or had a controlling interest.

23. "Enron Securities" means (i) Enron's debt, equity, and preferred securities; (ii) debt, equity, and preferred securities of entities related to Enron; (iii) securities issued by Enron-related entities, the value or repayment of which was dependent on the credit, financial condition, or ability to pay of Enron; and (iv) put and call options based in whole or in part on the price or value of any of the foregoing. For purposes of the Stipulations and this Notice, the term "Enron Securities" shall be deemed to include, without limitation, all securities listed in Schedules A-1 through A-4 hereto. The securities listed in Schedule A-1 shall be referred to as "Common Stock"; the securities listed in Schedule A-2 shall be referred to as "Preferred Securities"; the securities listed in Schedule A-3 shall be referred to as "Notes"; and the securities listed in Schedule A-4 shall be referred to as "Foreign Debt Securities."

24. "Escrow Agent" means the law firm of Lerach Coughlin Stoia Geller Rudman & Robbins LLP or its successor(s).

25. "Final" means, with respect to any court order, including but not limited to any of the Judgments, that such order represents a final and binding determination of all issues within its scope and is not subject to further review on appeal or otherwise. Without limitation, an order (including any of the Judgments) becomes "Final" when: (a) no appeal has been

filed and the time for commencing any appeal has expired; or (b) an appeal has been filed and either (i) the appeal has been dismissed and the time, if any, for commencing any further appeal has expired, or (ii) the order has been affirmed in its entirety and the time, if any, for commencing any further appeal has expired. For purposes of this definition, an "appeal" includes appeals as of right, discretionary appeals, interlocutory appeals, proceedings involving writs of certiorari, mandamus, or prohibition, and any other proceedings of like kind. Any appeal or other proceedings pertaining to any order adopting or approving a Plan of Allocation, or to any order issued in respect of an application by Plaintiffs' Counsel for attorneys' fees and expenses, shall not in any way delay or preclude any of the Judgments from becoming Final.

26. "Gross Settlement Funds" means, collectively, the Citigroup Gross Settlement Fund, the JPMorgan Chase Gross Settlement Fund, and the CIBC Gross Settlement Fund.

27. "JPMorgan Chase Additional Expense Amount" means Ten Million Dollars (\$10,000,000.00), which has been funded to the JPMorgan Chase Escrow Account, to cover administrative and other expenses in connection with the JPMorgan Chase Settlement. The JPMorgan Chase Additional Expense Amount shall be in addition to, and not included in, the JPMorgan Chase Settlement Amount.

28. "JPMorgan Chase Defendants" means JPMorgan Chase & Co., JPMorgan Chase Bank, N.A. and J.P. Morgan Securities Inc. When used herein with reference to a specific Action, the term "JPMorgan Chase Defendants" means those of the JPMorgan Chase Defendants that are named defendants in that Action.

29. "JPMorgan Chase Escrow Account" means the interest-bearing account designated by Plaintiffs' Settlement Counsel at a financial institution acceptable to the JPMorgan Chase Defendants, and maintained by the Escrow Agent, into which the JPMorgan Chase Settlement Amount and the JPMorgan Chase Additional Expense Amount shall be deposited.

30. "JPMorgan Chase Gross Settlement Fund" means the sum of the JPMorgan Chase Settlement Amount and the JPMorgan Chase Additional Expense Amount, plus any interest that may accrue thereon.

31. "JPMorgan Chase Initial Settlement Amount" means Thirty Million Dollars (\$30,000,000.00), to be funded to the JPMorgan Chase Escrow Account in the JPMorgan Chase Settlement as provided in the JPMorgan Chase Stipulation. The JPMorgan Chase Initial Settlement Amount shall be paid from, and shall not be in addition to, the JPMorgan Chase Settlement Amount.

32. "JPMorgan Chase Net Settlement Fund" means the balance of the JPMorgan Chase Gross Settlement Fund after payment of the items set forth in Sections XII.B.1 and XIV, below.

33. "JPMorgan Chase Releasees" means, in any capacity, JPMorgan Chase & Co.; its present and former parents, subsidiaries, divisions, and affiliates (including but not limited to JPMorgan Chase Bank, N.A. and J.P. Morgan Securities Inc.); each of their respective present and former employees, officers, directors, attorneys, accountants, insurers, and agents; any person or entity that was or is affiliated with, or has or had a controlling interest in, any of the foregoing; and the predecessors, heirs, successors, and assigns of each of the foregoing. Solely for purposes of the JPMorgan Chase Stipulation, and without limiting the foregoing definition, the term "JPMorgan Chase Releasees" shall include Mahonia Ltd., Mahonia Natural Gas Ltd., Stoneville Aegean Ltd., JP Morgan Partnership Investment Corp., Sixty Wall Street Fund, L.P., Chemical Investments, Inc., Flagstaff Capital Corporation, Chase Equipment Leasing, Inc., and their respective present and former employees, officers, directors, attorneys, accountants, insurers, and agents; any person or entity that was or is affiliated with, or has or had a controlling interest in, any of the foregoing; and the predecessors, heirs, successors, and assigns of each of the foregoing. The term "JPMorgan Chase Releasees" shall not include any Person who was a Non-Settling Defendant as of the date of the JPMorgan Chase Stipulation.

34. "JPMorgan Chase Settlement Amount" means Two Billion Two Hundred Million Dollars (\$2,200,000,000.00) in cash, subject to adjustment as described below, plus interest on the unfunded portion at the Federal Funds Rate, from June 14, 2005 to the respective dates of funding under paragraph 2.1 of the JPMorgan Chase Stipulation.

35. "Judgment" means, with respect to any Settlement, the order of judgment and dismissal approving such Settlement to be rendered by the Court in the Actions substantially in the form attached to the respective Stipulation.

36. "Lead Plaintiff" means The Regents of the University of California.

37. "Milbank Action" means the action entitled *The Regents of the University of California, et al. v. Milbank, Tweed, Hadley & McCloy LLP, et al.*, No. H-04-0088 (S.D. Tex.).

38. "Net Settlement Funds" means, collectively, the Citigroup Net Settlement Fund, the JPMorgan Chase Net Settlement Fund, and the CIBC Net Settlement Fund.

39. "Newby Action" means the consolidated action entitled *Newby, et al. v. Enron Corp., et al.*, No. H-01-3624 (S.D. Tex.), and all actions consolidated therewith.

40. "Non-Settling Defendants" means each and all of the current Defendants in the Actions except the Settling Defendants, and any Person who may hereafter be named a defendant or a third-party defendant in any of the Actions. The term "Non-Settling Defendants" includes any Defendants that have entered into settlement agreements that were not the

subjects of Final orders of approval as of (i) June 9, 2005, with respect to the Citigroup Settlement, (ii) June 14, 2005, with respect to the JPMorgan Chase Settlement, or (iii) August 2, 2005, with respect to the CIBC Settlement.

41. "Notice and Claims Administrator" means an independent administrator selected by Plaintiffs' Settlement Counsel and appointed by the Court.

42. "Person" means an individual, corporation, limited liability corporation, professional corporation, limited liability partnership, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity of any kind.

43. "Plaintiffs' Counsel" means counsel of record for the plaintiffs in the Actions.

44. "Plaintiffs' Settlement Counsel" means Lerach Coughlin Stoia Geller Rudman & Robbins LLP (and successors thereof), William S. Lerach, Keith F. Park, Helen J. Hodges, 655 W. Broadway, Suite 1900, San Diego, California 92101, Telephone: (619) 231-1058.

45. "Plan of Allocation" means any plan or formula of allocation of the Net Settlement Funds, to be approved by the Court upon further notice to the Settlement Class, whereby the Net Settlement Funds shall be distributed to Authorized Claimants. Any Plan of Allocation is not part of the Stipulations, and the Settling Defendants shall have no responsibility with respect thereto.

46. "Proof of Claim and Release" means the form to be sent to Settlement Class Members, upon further order of the Court, by which any Settlement Class Member may make claims against the Net Settlement Funds for damages allegedly incurred by reason of their investment in the Enron Securities.

47. "Released Claims" means any and all claims, demands, rights, liabilities, or causes of action of any nature whatsoever, known or unknown (including but not limited to Unknown Claims), arising out of or related in any way to the sale, purchase, or holding of, or the exercise or failure to exercise options with respect to, or the disclosure or non-disclosure of information with respect to, Enron Securities, including but not limited to all claims or allegations that have been asserted or could have been asserted against any of the Settling Defendants or any of the Settling Defendant Releasees in the Actions (including but not limited to all claims under the 1933 Act, the 1934 Act, the Texas Securities Act, any other federal or state statute, common law, or the law of any foreign jurisdiction).

48. "Representative Plaintiffs" means Lead Plaintiff and the other named plaintiffs in the Actions.

49. "Request for Exclusion" means a request from a Person who timely and validly requests exclusion from the Settlement Class.

50. "Request for Revocation of Exclusion" means a request from a Person who timely and validly requests to revoke a Request for Exclusion.

51. "Royal Bank of Canada Action" means the action entitled *The Regents of the University of California, et al. v. Royal Bank of Canada, et al.*, No. H-04-0087 (S.D.Tex.).

52. "Settlements" means the settlements of the Actions embodied in the Stipulations.

53. "Settlement Class" means all Persons (and their beneficiaries) who purchased or acquired any Enron Securities by any method, including but not limited to in an offering or purported private placement; in the secondary market in exchange for shares of acquired companies pursuant to a registration statement; by means of an employer contribution to an employee stock plan; or through the exercise of options (including but not limited to options acquired pursuant to employee stock plans), between September 9, 1997 and December 2, 2001, inclusive. Excluded from the Settlement Class are the Defendants, any entity in which any of the Defendants has a controlling interest, the directors of Enron, and the members of their immediate families or their successors, heirs, assigns, and legal representatives. The Defendants and any entity in which any of the Defendants has a controlling interest (for purposes of this paragraph, together a "Defendant-Controlled Entity") are excluded from the Settlement Class only to the extent that such Defendant-Controlled Entity itself has a proprietary (*i.e.*, for its own account) interest in Enron Securities. To the extent that a Defendant-Controlled Entity holds Enron Securities in a fiduciary capacity or otherwise on behalf of any third-party client, account, fund, trust, or employee benefit plan that otherwise falls within the Settlement Class, neither such Defendant-Controlled Entity nor the third-party client, account, fund, trust, or employee benefit plan shall be excluded from the Settlement Class with respect to such Enron Securities. Without limiting the foregoing, a Defendant-Controlled Entity (and the Persons on whose behalf such Enron Securities are held) shall not be excluded from the Settlement Class with respect to Enron Securities that were purchased, or acquired (i) in a registered or unregistered investment company (including, but not limited to, an investment trust or mutual fund); (ii) in a common, collective, commingled, or group trust fund; or (iii) (a) in a life insurance company separate account, or (b) in a segment or subaccount of a life insurance company's general account to the extent associated with insurance contracts under which the insurer's obligation is determined by the investment return on the market value of the assets held in such segment or subaccount, for which a Defendant-Controlled Entity serves as investment manager, investment adviser, trustee, or depositor. Defendants shall be deemed to have a "controlling interest"

in an entity if such Defendant has a beneficial ownership interest, directly or indirectly, in more than 50% of the total outstanding voting power of any class or classes of capital stock that entitle the holders thereof to vote in the election of members of the board of directors of such entity. "Beneficial ownership" shall have the meaning ascribed to such term under Rule 13d-3 of the 1934 Act, as amended, or any successor statute or statutes thereto. The Settlement Class shall include any present or former employee of Enron other than named Defendants in the Actions or in any other actions that are part of MDL 1446; *provided*, however, that present or former employees of Enron who are named as Third-Party Counterclaim Defendants in the Insurers' First Amended Answer to First Amended Third-Party Complaint for Contract Enforcement and Injunctive Relief Regarding D&O Policy Proceeds and First Amended Third-Party Counterclaim for Interpleader, filed October 22, 2004, in the *Newby* Action, but are not named defendants in any other action that is part of MDL 1446, shall be part of the Settlement Class.

54. "Settlement Class Member" means a Person who falls within the definition of the Settlement Class, excluding those Persons who make a Request for Exclusion and do not subsequently make a Request for Revocation of Exclusion.

55. "Settlement Class Period" means the period between September 9, 1997 and December 2, 2001, inclusive.

56. "Settling Defendants" means, collectively, the Citigroup Defendants, the JPMorgan Chase Defendants, and the CIBC Defendants.

57. "Settling Defendant Releasees" means, collectively, the Citigroup Releasees, the JPMorgan Chase Releasees, and the CIBC Releasees.

58. "Settling Parties" means, collectively, the Settling Defendants and the Representative Plaintiffs (on behalf of themselves and each of the Settlement Class Members).

59. "Toronto-Dominion Action" means the action entitled *The Regents of the University of California, et al. v. Toronto-Dominion Bank, et al.*, No. H-03-5528 (S.D.Tex.).

60. "Unknown Claims" means any Released Claim that any Representative Plaintiff or Settlement Class Member does not know or suspect to exist at the time of the release that, if known, might have affected the Stipulations or any of the terms thereof, or the decision by any Settlement Class Member not to object to the Settlements or to opt out from the Settlement Class.

61. "WSIB Action" means the action entitled *Washington State Investment Board et al. v. Kenneth L. Lay, et al.*, No. H-02-3401 (S.D. Tex.).

X. THE SETTLEMENT CLASS

By Order dated February 22, 2006, the Court certified the Settlement Class pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure, for the purpose of the Settlements only, and directed that this Notice be given to members of the Settlement Class. If you fall within the definition of the Settlement Class set forth above at Section IX, then you are a Settlement Class Member.

XI. THE RIGHTS OF SETTLEMENT CLASS MEMBERS

If you are a Settlement Class Member, you may receive the benefit of, and you will be bound by, the terms of the proposed Settlements described in Section XII of this Notice, upon approval of the proposed Settlements by the Court.

If you are a member of the Settlement Class and if you do not wish to be included in the Settlement Class and do not wish to participate in the proposed Settlements described in this Notice, you may request to be excluded with respect to the Released Claims.

To the extent you acquire a beneficial interest in Enron stock during the Settlement Class Period by virtue of your participation in the Enron Corporation Stock Employee Plan and/or the Enron Corporation Savings Plan (the "Plans"), Fiduciary Counselors, Inc., the independent fiduciary appointed to act on behalf of the Plans, asserts that you may not request to be excluded from the Settlement with respect to any claim arising out of such acquisition. Fiduciary Counselors, Inc. asserts that it has the exclusive right to request exclusion in such circumstance. However, you may request exclusion with respect to claims based on your acquisition of Enron Securities during the Settlement Class Period outside of the Plans. Neither Lead Plaintiff nor the Settling Defendants takes a position at this time on the issues discussed in this paragraph of this Notice, and the Court has made no findings or rulings with respect to those issues.

To request to be excluded from the Settlements in accordance with the preceding paragraph, you must send a signed, written request to be excluded, to be received no later than April 21, 2006, and addressed as follows:

*In re Enron Corporation Securities Litigation – Citigroup,
JPMorgan Chase, and CIBC Settlements*
c/o Gilardi & Co. LLC
P.O. Box 808061
Petaluma, CA 94975-8061

You must set forth the name of this Action (*In re Enron Corporation Securities Litigation*, Civil Action No. H-01-362 (Consolidated)), your name, address and telephone number, and state that you "request exclusion from the Settlement Class in *In re Enron Corporation Securities Litigation – Citigroup, JPMorgan Chase, and CIBC Settlements*, Civil Action No. H-01-3624 (Consolidated)." If you purchased more than \$100,000 worth of Enron Securities you must also set forth the number and type of Enron Securities that you purchased and sold during the Settlement Class Period and the prices which the securities were purchased and sold, along with the name and address of the record owner of such securities different from your own. **NO PERSON OR ENTITY MAY EXCLUDE HIMSELF, HERSELF, OR ITSELF FROM THE SETTLEMENT CLASS AFTER APRIL 21, 2006.**

If you validly request exclusion from the Settlement Class (a) you will be excluded from the Settlement Class with respect to the three Settlements described herein, (b) you will not share in the proceeds of any of the three Settlements described herein, (c) you will not be bound by any judgment entered in the Actions insofar as such judgment relates to the Settling Defendants or the Settling Defendant Releasees, and (d) you will not be precluded, by reason of your decision to request exclusion from the Settlement Class, from otherwise prosecuting an individual claim, if timely and otherwise valid against the Citigroup Defendants, the JPMorgan Chase Defendants, and/or the CIBC Defendants based on the matter complained of in the Actions. If you are a Settlement Class Member, you may, but are not required to, enter an appearance through counsel of your own choosing at your own expense, provided that such counsel must file an appearance on your behalf on or before April 21, 2006, and must serve copies of such appearance on the attorneys listed in Section XV below. If you do not enter an appearance through counsel of your own choosing, you will be represented by Plaintiffs' Settlement Counsel.

XII. TERMS OF THE PROPOSED SETTLEMENTS

Settlements have been reached in the Actions between the Representative Plaintiffs and the Settling Defendants on the terms and conditions of which are set forth in the Stipulations and the Exhibits thereto. The following description of the proposed Settlements is only a summary, and reference is made to the text of the Stipulations, on file with the Court, for the full statement of their provisions.

A. The Citigroup Settlement

1. The Citigroup Settlement Amount

The Citigroup Settlement Amount consists of the aggregate principal amount of Two Billion Dollars (\$2,000,000,000) in cash, that bears interest pursuant to the terms of the Citigroup Stipulation. The Citigroup Stipulation also provides for the payment of the Citigroup Additional Expense Amount, over and above the Citigroup Settlement Amount, of Ten Million Dollars (\$10,000,000). The Citigroup Stipulation also provides for the establishment of the Citigroup Initial Settlement Amount in the amount of Thirty Million Dollars (\$30,000,000), which shall be paid from, and not in addition to, the Citigroup Settlement Amount. At the Settlement Hearing, the Court will be asked to approve the establishment of the Citigroup Initial Settlement Amount. The Citigroup Initial Settlement Amount will be used, subject to the Court's approval(s) to reimburse Plaintiffs' Settlement Counsel for the expenses that they have incurred and expect to incur in the prosecution of the Actions. A portion of the Citigroup Settlement Amount will also be used to pay for this Notice (to the extent not paid from the Citigroup Additional Expense Amount) as well as taxes and tax return preparation expenses regarding the interest earned on the Citigroup Gross Settlement Fund.

2. Adjustments to the Citigroup Settlement Amount

(a) As stated above, the Citigroup Settlement Amount is \$2 billion in cash; except that the Citigroup Settlement Amount may be reduced or increased with reference to the following formulae:

(i) the Citigroup Settlement Amount will be reduced by an amount that is the product of \$10 million and W (i.e., \$10 million \times W) where " W " (expressed in percentage points or fractions thereof¹) is: (i) the sum total of the number of shares of Common Stock purchased during the Settlement Class Period by members of the Settlement Class who opt out of the Settlement Class, expressed as a percentage of the average number of shares of Common Stock outstanding during the Settlement Class Period net of Treasury shares and shares held by Enron insiders, as reported in

¹ For example, if Common Stock opt outs accounted for a total of 2.1% of outstanding shares, then " W " would be 0.6 (i.e., 2.1 - 1.5), and the Settlement Amount would be reduced by \$6 million (i.e., \$10 million \times 0.6). The computations set out in subparagraphs (ii), (iii) and (iv) shall be made in the same manner.

Enron's reports to the Securities and Exchange Commission, less (ii) one and one-half (1½) percent; provided that, in the foregoing equation, if "W" is a negative number, "W" shall be deemed to be zero (0).

(ii) the Citigroup Settlement Amount will be reduced by an amount that is the product of \$400,000 and X (i.e., $\$400,000 \times X$) where "X" (expressed in percentage points or fractions thereof) is: (i) the sum total of the number of shares of Preferred Securities purchased during the Settlement Class Period by members of the Settlement Class who opt out of the Settlement Class, expressed as a percentage of the average number of shares of Preferred Securities outstanding during the Settlement Class Period net of Treasury shares and shares held by Enron insiders, as reported in Enron's reports to the Securities and Exchange Commission, less (ii) one and one-half (1½) percent; provided that in the foregoing equation, if "X" is a negative number, "X" shall be deemed to be zero (0).

(iii) the Citigroup Settlement Amount will be reduced by an amount that is the product of \$4.4 million and Y (i.e., $\$4.4 \text{ million} \times Y$) where "Y" (expressed in percentage points or fractions thereof) is: (i) the sum total of the face value of all Notes purchased during the Settlement Class Period by members of the Settlement Class who opt out of the Settlement Class, expressed as a percentage of the total face value of all Notes outstanding as of December 2, 2001, less (ii) one and one-half (1½) percent; provided that, in the foregoing equation, if "Y" is a negative number, "Y" shall be deemed to be zero (0).

(iv) the Citigroup Settlement Amount will be reduced by an amount that is the product of \$5.2 million and Z (i.e., $\$5.2 \text{ million} \times Z$) where "Z" (expressed in percentage points or fractions thereof) is: (i) the sum total of the face value of all Foreign Debt Securities purchased during the Settlement Class Period by members of the Settlement Class who opt out of the Settlement Class, expressed as a percentage of the total face value of all Foreign Debt Securities outstanding as of December 2, 2001, less (ii) one and one-half (1½) percent; provided that in the foregoing equation, if "Z" is a negative number, "Z" shall be deemed to be zero (0).

(b) (i) The purchases of Enron Securities of the plaintiffs in the actions listed on Schedule A of the Citigroup Stipulation (to the extent that such plaintiffs are members of the Settlement Class) shall be excluded from the numerator and denominator of the calculations provided for in Section XII.A.2(a), above; and

(ii) in the event that any of the plaintiffs in the actions listed in Schedule A of the Citigroup Stipulation does not opt out of the Settlement Class, the Settlement Amount shall be increased in proportion to each such plaintiff's purchases of securities in each category of Enron Securities identified in Section XII.A.2(a) above, *provided*, however, that in no event shall the Citigroup Settlement Amount be increased pursuant to this Section XII.A.2(b)(ii) by more than Sixty Million Dollars (\$60,000,000).

3. The Plan of Allocation

After further notice to the Settlement Class and an opportunity to be heard, Plaintiffs' Settlement Counsel will seek approval by the Court of a Plan of Allocation that will govern the calculation of Settlement Class Members' claims against the Citigroup Settlement Amount. In the future, Settlement Class Members will be sent a Proof of Claim and Release form to establish their claims against the Citigroup Settlement Amount.

4. Releases

If the proposed Citigroup Settlement is approved by the Court, the Court will enter an order (the "Citigroup Judgment") that will dismiss the Actions with prejudice as to the Citigroup Defendants. In addition, upon the Effective Date, the Representative Plaintiffs and each of the Settlement Class Members, on behalf of themselves, their successors and assigns, and any other Person claiming (now or in the future) through or on behalf of them, and regardless of whether any such Representative Plaintiff or Settlement Class Member ever seeks or obtains by any means, including, without limitation, by submitting a Proof of Claim and Release, any distribution from the Citigroup Net Settlement Fund, shall be deemed to have, and by operation of the Citigroup Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Citigroup Releasees, shall have covenanted not to sue the Citigroup Releasees with respect to all such Released Claims, and shall be permanently barred and enjoined from instituting, commencing, prosecuting or asserting any such Released Claim against the Citigroup Releasees. In addition, subject to certain limitations set forth in the Citigroup Stipulation, the Citigroup Releasees will release the Representative Plaintiffs, the Settlement Class Members and Plaintiffs' Settlement Counsel from any claims relating to the prosecution of the Actions. The Court shall retain jurisdiction over these Actions, including, without limitation, all matters with respect to implementation and enforcement of the terms of the Citigroup Stipulation.

B. The JPMorgan Chase Settlement

1. The JPMorgan Chase Settlement Amount

The JPMorgan Chase Settlement Amount consists of the aggregate principal amount of Two Billion Two Hundred Million Dollars (\$2,200,000,000) in cash, that bears interest pursuant to the terms of the JPMorgan Chase Stipulation. The JPMorgan Chase Stipulation also provides for the payment of a JPMorgan Chase Additional Expense Amount, over and above the JPMorgan Chase Settlement Amount, of Ten Million Dollars (\$10,000,000). The JPMorgan Chase Stipulation

also provides for the establishment of the JPMorgan Chase Initial Settlement Amount in the amount of Thirty Million Dollars (\$30,000,000), which shall be paid from, and not in addition to, the JPMorgan Chase Settlement Amount. At the Settlement Hearing, the Court will be asked to approve the establishment of the JPMorgan Chase Initial Settlement Amount. The JPMorgan Chase Initial Settlement Amount will be used, subject to the Court's approval(s), to reimburse Plaintiff Settlement Counsel for the expenses that they have incurred and expect to incur in the prosecution of the Actions. A portion of the JPMorgan Chase Settlement Amount will also be used to pay for this Notice (to the extent not paid from the JPMorgan Chase Additional Expense Amount) as well as taxes and tax return preparation expenses regarding the interest earned on the JPMorgan Chase Gross Settlement Fund.

2. Adjustments to the JPMorgan Chase Settlement Amount

(a) As stated above, the JPMorgan Chase Settlement Amount is \$2.2 billion in cash; except that the JPMorgan Chase Settlement Amount may be reduced or increased with reference to the following formulae:

(i) the JPMorgan Chase Settlement Amount will be reduced by an amount that is the product of Eleven Million Dollars (\$11,000,000) and W (i.e., $\$11,000,000 \times W$) where " W " (expressed in percentage points or fractions thereof²) is: (i) the sum total of the number of shares of Common Stock purchased during the Settlement Class Period by members of the Settlement Class who opt out of the Settlement Class, expressed as a percentage of the average number of shares of Common Stock outstanding during the Settlement Class Period net of Treasury shares and shares held by Enron insiders, as reported in Enron's reports to the Securities and Exchange Commission, less (ii) one and one-half (1½) percent; provided that, in the foregoing equation, if " W " is a negative number, " W " shall be deemed to be zero (0).

(ii) the JPMorgan Chase Settlement Amount will be reduced by an amount that is the product of Four Hundred and Forty Thousand Dollars (\$440,000) and X (i.e., $\$440,000 \times X$) where " X " (expressed in percentage points or fractions thereof) is: (i) the sum total of the number of shares of Preferred Securities purchased during the Settlement Class Period by members of the Settlement Class who opt out of the Settlement Class, expressed as a percentage of the average number of shares of Preferred Securities outstanding during the Settlement Class Period net of Treasury shares and shares held by Enron insiders, as reported in Enron's reports to the Securities and Exchange Commission, less (ii) one and one-half (1½) percent; provided that in the foregoing equation, if " X " is a negative number, " X " shall be deemed to be zero (0).

(iii) the JPMorgan Chase Settlement Amount will be reduced by an amount that is the product of Four Million, Eight Hundred and Forty Thousand Dollars (\$4,840,000) and Y (i.e., $\$4,840,000 \times Y$) where " Y " (expressed in percentage points or fractions thereof) is: (i) the sum total of the face value of all Notes purchased during the Settlement Class Period by members of the Settlement Class who opt out of the Settlement Class, expressed as a percentage of the total face value of all Notes outstanding as of December 2, 2001, less (ii) one and one-half (1½) percent; provided that, in the foregoing equation, if " Y " is a negative number, " Y " shall be deemed to be zero (0).

(iv) the JPMorgan Chase Settlement Amount will be reduced by an amount that is the product of Five Million, Seven Hundred and Twenty Thousand Dollars (\$5,720,000) and Z (i.e., $\$5,720,000 \times Z$) where " Z " (expressed in percentage points or fractions thereof) is: (i) the sum total of the face value of all Foreign Debt Securities purchased during the Settlement Class Period by members of the Settlement Class who opt out of the Settlement Class, expressed as a percentage of the total face value of all Foreign Debt Securities outstanding as of December 2, 2001, less (ii) one and one-half (1½) percent; provided that in the foregoing equation, if " Z " is a negative number, " Z " shall be deemed to be zero (0).

(b) (i) The purchases of Enron Securities of the plaintiffs in the actions listed on Schedule A of the JPMorgan Chase Stipulation (to the extent that such plaintiffs are members of the Settlement Class) shall be excluded from the numerator and denominator of the calculations provided for in Section XII.B.2(a), above; and

(ii) in the event that any of the plaintiffs in the actions listed in Schedule A of the JPMorgan Chase Stipulation does not opt out of the Settlement Class, the JPMorgan Chase Settlement Amount shall be increased in proportion to each such plaintiff's purchases of securities in each category of Enron Securities identified in Section XII.B.2(a) above, provided, however, that in no event shall the JPMorgan Chase Settlement Amount be increased pursuant to this Section XII.B.2(b)(ii) by more than Sixty Million Dollars (\$60,000,000).

3. The Plan of Allocation

After further notice to the Settlement Class and an opportunity to be heard, Plaintiffs' Settlement Counsel will seek approval by the Court of a Plan of Allocation that will govern the calculation of Settlement Class Members' claims against the JPMorgan Chase Settlement Amount. In the future, Settlement Class Members will be sent a Proof of Claim and Release form to establish their claims against the JPMorgan Chase Settlement Amount.

² For example, if Common Stock opt outs accounted for a total of 2.1% of outstanding shares, then " W " would be 0.6 (i.e., 2.1 x 0.1), and the Settlement Amount would be reduced by \$6.6 million (i.e., \$11 million x 0.6). The computations set out in subparagraphs (ii), (iii) and (iv) shall be made in the same manner.

4. Releases

If the proposed JPMorgan Chase Settlement is approved by the Court, the Court will enter an order (the "JPMorgan Chase Judgment") that will dismiss the Actions with prejudice as to the JPMorgan Chase Defendants. In addition, upon the Effective Date, the Representative Plaintiffs and each of the Settlement Class Members, on behalf of themselves, their successors and assigns, and any other Person claiming (now or in the future) through or on behalf of them, and regardless of whether any such Representative Plaintiff or Settlement Class Member ever seeks or obtains by any means, including, without limitation, by submitting a Proof of Claim and Release, any distribution from the JPMorgan Chase Net Settlement Fund, shall be deemed to have, and by operation of the JPMorgan Chase Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the JPMorgan Chase Releasees, shall have covenanted not to sue the JPMorgan Chase Releasees with respect to all such Released Claims, and shall be permanently barred and enjoined from instituting, commencing, prosecuting or asserting any such Released Claim against the JPMorgan Chase Releasees. In addition, subject to certain limitations set forth in the JPMorgan Chase Stipulation, the JPMorgan Chase Releasees will release the Representative Plaintiffs, the Settlement Class Members and Plaintiffs' Settlement Counsel from any claims relating to the prosecution of the Actions. The Court shall retain jurisdiction over these Actions, including, without limitation, all matters with respect to implementation and enforcement of the terms of the JPMorgan Chase Stipulation.

C. The CIBC Settlement

1. The CIBC Settlement Amount

The CIBC Settlement Amount consists of the aggregate principal amount of Two Billion Four Hundred Million Dollars (\$2,400,000,000) in cash, that bears interest pursuant to the terms of the CIBC Stipulation. A portion of the CIBC Settlement Amount will be used to pay for this Notice as well as taxes and tax return preparation expenses regarding the interest earned on the CIBC Gross Settlement Fund.

2. Adjustments to the CIBC Settlement Amount

(a) As stated above, the CIBC Settlement Amount is \$2.4 billion in cash; except that the CIBC Settlement Amount may be reduced or increased with reference to the following formulae:

(i) the CIBC Settlement Amount will be reduced by an amount that is the product of \$12.0 million and W (i.e., $\$12.0 \text{ million} \times W$) where " W " (expressed in percentage points or fractions thereof³) is: (i) the sum total of the number of shares of Common Stock purchased during the Settlement Class Period by members of the Settlement Class who opt out of the Settlement Class, expressed as a percentage of the average number of shares of Common Stock outstanding during the Settlement Class Period net of Treasury shares and shares held by Enron insiders, as reported in Enron's reports to the Securities and Exchange Commission, less (ii) one and one-half (1½) percent; provided that, in the foregoing equation, if " W " is a negative number, " W " shall be deemed to be zero (0).

(ii) the CIBC Settlement Amount will be reduced by an amount that is the product of \$480,000 and X (i.e., $\$480,000 \times X$) where " X " (expressed in percentage points or fractions thereof) is: (i) the sum total of the number of shares of Preferred Securities purchased during the Settlement Class Period by members of the Settlement Class who opt out of the Settlement Class, expressed as a percentage of the average number of shares of Preferred Securities outstanding during the Settlement Class Period net of Treasury shares and shares held by Enron insiders, as reported in Enron's reports to the Securities and Exchange Commission, less (ii) one and one-half (1½) percent; provided that in the foregoing equation, if " X " is a negative number, " X " shall be deemed to be zero (0).

(iii) the CIBC Settlement Amount will be reduced by an amount that is the product of \$5.28 million and Y (i.e., $\$5.28 \text{ million} \times Y$) where " Y " (expressed in percentage points or fractions thereof) is: (i) the sum total of the face value of all Notes purchased during the Settlement Class Period by members of the Settlement Class who opt out of the Settlement Class, expressed as a percentage of the total face value of all Notes outstanding as of December 2, 2001, less (ii) one and one-half (1½) percent; provided that, in the foregoing equation, if " Y " is a negative number, " Y " shall be deemed to be zero (0).

(iv) the CIBC Settlement Amount will be reduced by an amount that is the product of \$6.24 million and Z (i.e., $\$6.24 \text{ million} \times Z$) where " Z " (expressed in percentage points or fractions thereof) is: (i) the sum total of the face value of all Foreign Debt Securities purchased during the Settlement Class Period by members of the Settlement Class who opt out of the Settlement Class, expressed as a percentage of the total face value of all Foreign Debt Securities outstanding as of December 2, 2001, less (ii) one and one-half (1½) percent; provided that in the foregoing equation, if " Z " is a negative number, " Z " shall be deemed to be zero (0).

³ For example, if W is 1% then, for purposes of computing the reduction in this subparagraph (as well as subparagraphs (ii), (iii) and (iv) and for purposes of calculating " X ," " Y ," and " Z "), it is expressed as 1.

(b) (i) The purchases of Enron Securities of the plaintiffs in the actions listed on Schedule A of the CIBC Stipulation (to the extent that such plaintiffs are members of the Settlement Class) shall be excluded from the numerator and denominator of the calculations provided for in Section XII.C.2(a), above; and

(ii) in the event that any of the plaintiffs in the actions designated by an asterisk (*) listed in Schedule A of the CIBC Stipulation does not opt out of the Settlement Class, the CIBC Settlement Amount shall be increased in proportion to each such plaintiff's purchases of securities in each category of Enron Securities identified in Section XII.C.2(a), *provided*, however, that in no event shall the CIBC Settlement Amount be increased pursuant to this Section XII.C.2(b)(ii) by more than Sixty Million Dollars (\$60,000,000).

3. The Plan of Allocation

After further notice to the Settlement Class and an opportunity to be heard, Plaintiffs' Settlement Counsel will seek approval by the Court of a Plan of Allocation that will govern the calculation of Settlement Class Members' claims against the CIBC Settlement Amount. In the future, Settlement Class Members will be sent a Proof of Claim and Release form to establish their claims against the CIBC Settlement Amount.

4. Releases

If the proposed CIBC Settlement is approved by the Court, the Court will enter an order (the "CIBC Judgment") that will dismiss the Actions with prejudice as to the CIBC Defendants. In addition, upon the CIBC Discharge Date, the Representative Plaintiffs and each of the Settlement Class Members, on behalf of themselves, their successors and assigns, and any other Person claiming (now or in the future) through or on behalf of them, and regardless of whether any such Representative Plaintiff or Settlement Class Member ever seeks or obtains by any means, including, without limitation, by submitting a Proof of Claim and Release, any distribution from the CIBC Net Settlement Fund, shall be deemed to have, and by operation of the CIBC Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the CIBC Releasees and shall have covenanted not to sue the CIBC Releasees with respect to all such Released Claims, and shall be permanently barred and enjoined from instituting, commencing, or prosecuting any such Released Claim against the CIBC Releasees. In addition, subject to certain limitations set forth in the CIBC Stipulation, the CIBC Releasees will release the Representative Plaintiffs, the Settlement Class Members and Plaintiffs' Settlement Counsel from any claims relating to the prosecution of the Actions. The Court shall retain jurisdiction over these Actions, including, without limitation, all matters with respect to implementation and enforcement of the terms of the CIBC Stipulation.

XIII. NOTICE TO BANKS, BROKERS AND OTHER NOMINEES

Banks, brokerage firms, institutions, and other persons who are nominees that purchased Enron Securities for the beneficial interest of other persons as of any date from September 9, 1997 through and including December 2, 2001 are requested to, within ten (10) calendar days of receipt of this Notice, (1) provide the Notice and Claims Administrator with the names and addresses of such beneficial purchasers (IF YOU HAVE NOT ALREADY DONE SO IN CONNECTION WITH THE PRIOR NOTICES TO SETTLEMENT CLASS MEMBERS SENT REGARDING THE PARTIAL SETTLEMENTS WITH ANDERSEN WORLDWIDE SOCIETE COOPERATIVE ("AWSC"), BANK OF AMERICA, LEHMAN BROTHERS OR THE ENRON OUTSIDE DIRECTORS), or (2) forward a copy of this Notice to each such beneficial purchaser and provide Plaintiffs' Settlement Counsel with written confirmation that the Notice has been so forwarded. Upon submission of appropriate documentation, Plaintiffs' Settlement Counsel will reimburse your reasonable costs and expenses of complying with this provision (to the extent you have not already been reimbursed for providing a list of beneficial purchasers in connection with the previous partial settlements with AWSC, Bank of America, Lehman Brothers or the Enron Outside Directors). Additional copies of this Notice may be obtained from the Notice and Claims Administrator by writing to:

*In re Enron Corporation Securities Litigation – Citigroup,
JPMorgan Chase, and CIBC Settlements*
c/o Gilardi & Co. LLC
P.O. Box 808061
Petaluma, CA 94975-8061

Correspondence to Plaintiffs' Settlement Counsel should be addressed as follows:

KEITH F. PARK
HELEN J. HODGES
LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
655 W. Broadway, Suite 1900
San Diego, CA 92101-3301

XIV. APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

A. The Citigroup Settlement

Counsel to the Lead Plaintiff, The Regents, do not intend to apply for an award of attorneys' fees at this time. As noted above, however, Plaintiffs' Settlement Counsel will ask the Court at the Settlement Hearing to approve the establishment of the Citigroup Initial Settlement Amount in the amount of Thirty Million Dollars (\$30,000,000). Reimbursement of expenses from the Citigroup Initial Settlement Amount will only occur upon further Court order. Any application by counsel to the Lead Plaintiff for attorneys' fees and reimbursement of expenses not otherwise recovered from the Citigroup Initial Settlement Amount will only occur after notice of that application has been given to the Settlement Class and an opportunity to be heard. Any such sums as awarded by the Court will be paid from the Citigroup Gross Settlement Fund. At the hearing described below, counsel for the plaintiff in the *Conseco* Action will apply for an award of fees and expenses not to exceed Seven Million Six Hundred Thousand Dollars (\$7,600,000). If awarded, these fees and expenses will be paid only from the Citigroup Additional Expense Amount and not from the Citigroup Settlement Amount. Also at the hearing described below, The Regents will seek reimbursement for its expenses (primarily for advisors and consultants retained directly by it) incurred in prosecuting the litigation on behalf of the Settlement Class. The amount sought will not exceed Four Million Dollars (\$4,000,000) and, if awarded, an equitable portion will be paid from the Citigroup Settlement Amount and the balance will be equitably allocated to and paid from the JPMorgan Chase Settlement and the CIBC Settlement described below.

B. The JPMorgan Chase Settlement

Counsel to the Lead Plaintiff, The Regents, do not intend to apply for an award of attorneys' fees at this time. As noted above, however, Plaintiffs' Settlement Counsel will ask the Court at the Settlement Hearing to approve the establishment of the JPMorgan Chase Initial Settlement Amount in the amount of Thirty Million Dollars (\$30,000,000). Reimbursement of expenses from the JPMorgan Chase Initial Settlement Amount will only occur upon further Court order. Any application by counsel to the Lead Plaintiff for attorneys' fees and reimbursement of expenses not otherwise recovered from the JPMorgan Chase Initial Settlement Amount will only occur after notice of that application has been given to the Settlement Class and an opportunity to be heard. Any such sums as awarded by the Court will be paid from the JPMorgan Chase Gross Settlement Fund. As discussed above, at the Settlement Hearing the Court will also be asked to approve the reimbursement to The Regents of certain expenses.

C. The CIBC Settlement

Counsel to the Lead Plaintiff, The Regents, do not intend to apply for an award of attorneys' fees at this time. Any application by counsel to the Lead Plaintiff for attorneys' fees and reimbursement of expenses will only occur after notice of that application has been given to the Settlement Class and an opportunity to be heard. Any such sums as awarded by the Court will be paid from the CIBC Gross Settlement Fund. As discussed above, at the Settlement Hearing the Court will be asked to approve the reimbursement to The Regents of certain expenses.

XV. THE SETTLEMENT HEARING

A hearing (the "Settlement Hearing") will be held on May 24, 2006 at 9:00 a.m., before the Honorable Melinda Harmon, United States District Judge, at the United States District Court for the Southern District of Texas, Bob Casey United States Courthouse, 515 Rusk Avenue, Houston, Texas 77002, for the purpose of determining (a) whether each of the proposed Settlements as set forth in the Stipulations is fair, reasonable and adequate and should be approved by the Court; (b) whether the Citigroup Judgment, the JPMorgan Chase Judgment, and/or the CIBC Judgment, substantially in the form attached to the relevant Stipulation, should be entered herein; (c) whether and in what amount the expenses of The Regents should be reimbursed; (d) whether, with respect to the Citigroup Settlement only, the establishment of the Citigroup Initial Settlement Amount should be approved; (e) whether, with respect to the JPMorgan Chase Settlement only, the establishment of the JPMorgan Chase Initial Settlement Amount should be approved; and (f) whether and in what amount with respect to the Citigroup Settlement only, counsel to plaintiff in the *Conseco* Action should be paid for their fees and expenses. The Court may adjourn the Settlement Hearing from time to time and without further notice to the Settlement Class.

Any Settlement Class Member who has not requested exclusion may appear at the Settlement Hearing and be heard on any of the foregoing matters; *provided*, however, that no such person shall be heard unless his, her or its objection is made in writing and is filed, together with proof of membership in the Settlement Class and copies of all other papers and briefs to be submitted by him, her or it to the Court at the Settlement Hearing, with the Court no later than April 21, 2006 and showing due proof of service on Plaintiffs' Settlement Counsel:

KEITH F. PARK
HELEN J. HODGES
LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
655 W. Broadway, Suite 1900
San Diego, CA 92101-3301

upon the following counsel for the Citigroup Defendants: *upon the following counsel for the JPMorgan Chase Defendar*

BRAD S. KARP
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
1285 Avenue of the Americas
New York, NY 10019-6064

THOMAS C. RICE
SIMPSON THACHER & BARTLETT LLP
425 Lexington Avenue
New York, NY 10017-3954

and upon the following counsel for the CIBC Defendants:

PHILLIP S. REED
MAYER, BROWN, ROWE & MAW LLP
71 South Wacker Drive
Chicago, IL 60606-4637

Unless otherwise ordered by the Court, any Settlement Class Member who does not make his, her or its objection in t
manner provided shall be deemed to have waived all objections to the foregoing matters.

XVI. EXAMINATION OF PAPERS AND INQUIRIES

This Notice contains only a summary of the terms of the proposed Settlements. For a more detailed statement
the matters involved in the Actions, reference is made to the pleadings, to the Stipulations and to other papers filed in tl
Actions, which may be inspected at the Office of the Clerk of the United States District Court, Bob Casey United Stat
Courthouse, 515 Rusk Avenue, Houston, Texas 77002, during business hours of any business day.

Inquiries regarding the Actions should be addressed to Plaintiffs' Settlement Counsel at the address set for
above.

DO NOT CONTACT THE COURT REGARDING THIS NOTICE.

DATED: February 22, 2006

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS

SCHEDULE A-1

Common Stock

CUSIP	Bloomberg Number	SEDOL	ISIN	Issuer
1 159512110				CHAPMAN ENERGY INC
2 191886100				CODA ENERGY INC
3		020777		CODA GROUP
4		025265		CODA GROUP
5 19188U107				CODA OCTOPUS GROUP INC
6 22161G103				COSTILLA ENERGY INC
7	14905Z US Equity			EAST COAST POWER LLC
8		2274449		ELEKTRO ELETRICIDADE E SERVICIO
9		2274450		ELEKTRO ELETRICIDADE E SERVICIO
10	48139Z BZ Equity			ENRON AMERICA DO SUL LTD
11	6256Z US Equity			ENRON CAPITAL LLC
12 293561106				ENRON CORP
13 293561908				ENRON CORP
14	QUNENE AU Equity	AU000QUNENE0		ENRON CORP
15	13765Z US Equity			ENRON CORP / OREGON
16	ENEB AR Equity, ENEC AR Equity	ARDEUT110947		Enron Corp CEDAR
17	16922Z US Equity			ENRON FUNDING CORP
18	24875Z US Equity			ENRON GLOBAL MARKETS LLC
19 29356M100				ENRON GLOBAL POWER & PIPELINES
20	ENJ CZ JP Equity			ENRON JAPAN CORP
21 29356N108				ENRON LIQUIDS PIPELINE
22 26875P101				ENRON OIL & GAS CO
23 29356Z906				ENRON OIL & GAS CO
24	2077Z LN Equity			ENRON WATER EUROPE (PLC)
25 26875P903				EOG RES INC
26 26875P11				EOG RES INC
27	20845Z Equity			GARDEN STATE PAPER CO LLC
28	1234Z GR Equity			METALLGESELLSCHAFT FINANCE
29		067962		MG
30	MEAGF US Equity			MG TECHNOLOGIES AG
31 665500112				NORTHERN NAT GAS CO
32 698465903				PANHANDLE EASTN PIPE LINE CO
33 736506106				PORTLAND GEN CORP
34	1003Z PM Equity			SUBIC POWER CORP
35 894044106				TRANSWESTERN MUT FD
36 894061100				TRANSWESTERN PIPELINE CO

SCHEDULE A-2

Preferred Securities

	CUSIP	Issuer
1	159512201	CHAPMAN ENERGY INC
2	159512300	CHAPMAN ENERGY INC
3	293561205	ENRON CORP
4	293561304	ENRON CORP
5	293561403	ENRON CORP
6	293561502	ENRON CORP
7	293561700	ENRON CORP
8	293561809	ENRON CORP
9	29357D208	Enron Cap Res LP
10	29357P201	Enron Cap Trust
11	29357N206	Enron Cap Trust
12	Y50124521	Enron Capital LLC
13	P3730710	ENRON CAPITAL LLC PFD MIPS 8%
14	293561882	Enron Corp
15	293561601	Enron Corp
16	26875P119	EOG RES INC
17	26875P200	EOG RES INC
18	26875P309	EOG RES INC
19	26875P408	EOG RES INC
20	26875P705	EOG RES INC
21	698465200	PANHANDLE EASTN PIPE LINE CO
22	698465309	PANHANDLE EASTN PIPE LINE CO
23	698465408	PANHANDLE EASTN PIPE LINE CO
24	736508201	PORTLAND GEN ELEC CO
25	736508607	PORTLAND GEN ELEC CO
26	736508805	PORTLAND GEN ELEC CO
27	736508854	PORTLAND GEN ELEC CO
28	736508862	PORTLAND GEN ELEC CO
29	736508888	PORTLAND GEN ELEC CO
30	894061209	TRANSWESTERN PIPELINE CO

SCHEDULE A-3

Notes

CUSIP	CUSIP 2	CUSIP 3	Bloomberg Number	SEDOL	ISIN	Issuer	Maturity Date	Issue Date	Coupon (in 000s)	Issue Amount (in 000s)	Currency
15234NA3				421626		CENTRAGAS TRANS DE GAS	12/1/2010	12/8/1994	10.65	172,000	USD
191886AA8			191886AC4			CODA ENERGY INC	4/1/2006	3/12/1996	10.5	110,000	USD
22161GA1						COSTILLA ENERGY INC	10/1/2006	10/2/1996	10.25	100,000	USD
22161GAB9	22161GAC7		DD0130128			COSTILLA ENERGY INC	10/1/2006	11/14/1998	10.25	80,000	USD
22161GAD5						COSTILLA ENERGY INC	10/1/2006	4/1/1998	10.25	77,000	USD
271790AA5	271790AB3		EC1246155	2423757		EAST COAST POWER LLC	3/31/2008	4/14/1999	6.737	296,000	USD
271790AC1	271790AD9		EC1246171	2432106		EAST COAST POWER LLC	3/31/2012	4/14/1999	7.066	236,000	USD
271790AE7	271790AF4		EC1246296	EC1246338		EAST COAST POWER LLC	6/30/2017	4/14/1999	7.536	318,000	USD
29357QAA8						ENRON CAP TR III CAP	6/6/2046	6/4/1997		200,000	USD
			XS0111071683	EC2518396		ENRON CORP	5/2/2001	4/25/2000	0.51	20,000,000	JPY
			XS0129515077	EC3880365		ENRON CORP	5/15/2002	5/8/2001	0.52	25,000,000	JPY
			XS0104691711	EC2022019		ENRON CORP	11/30/2000	11/16/1999	0.58	10,000,000	JPY
293561BZ8						ENRON CORP	11/25/2006		9.82	1,151,838	USD
29357W9A7						ENRON CORP	6/18/2003	6/18/2001	0.77	10,000,000	JPY
29357W9B5						ENRON CORP	6/18/2003	6/18/2001	0.77	10,000,000	JPY
29357Y@A2						ENRON CORP	5/24/2006	5/24/2001	6.5	200,000	Euro
46057SAR4						ENRON CORP	5/24/2006	5/24/2001	7.25	125,000	GBP
29357WAA5						ENRON CORP	3/15/2006	3/12/1986	9.625	200,000	USD
293561AH9						ENRON CORP 8.375% DUE 5/23/05	5/23/2005	5/18/2000	8.375	175,000	USD
293561BT2						ENRON CORP DEB 9.65% 01	5/15/2001	5/17/1989	9.65	100,000	USD
293561BQ8						ENRON CORP NT 8.4% 08	7/15/2006	7/7/1998	6.4	250,000	USD
293561BN5						ENRON CORP NT 8.45% 01	11/15/2001	11/13/1997	6.45	300,000	USD
293561BS4						ENRON CORP NT 8.625% 03	10/15/2003	10/20/1997	6.625	100,000	USD
293561BL9						ENRON CORP NT 8.625% 05	11/15/2005	11/19/1997	6.625	250,000	USD
293561BM7				2156116		ENRON CORP NT 8.75% 04	9/1/2004	8/12/1997	6.75	100,000	USD
293561AY2				2545510		ENRON CORP NT 8.75% 04	9/15/2004	9/6/1995	6.75	50,000	USD
293561AZ9						ENRON CORP NT 8.75% 09	8/1/2009	7/24/1997	6.75	200,000	USD
293561BU9						ENRON CORP NT 8.75% 07	10/15/2007	10/5/1995	6.875	100,000	USD
293561BW5						ENRON CORP NT 8.95% 28	7/15/2028	7/7/1998	6.95	250,000	USD
293561AX4				2816904		ENRON CORP NT 8.95% 28	7/15/2028	11/25/1998	6.95	250,000	USD
293561AR7				2843043		ENRON CORP NT 7.125% 07	5/15/2007	5/17/1995	7.125	150,000	USD
293561AW6						ENRON CORP NT 7.625% 04	9/10/2004	8/27/1992	7.625	200,000	USD
293561AQ9						ENRON CORP NT 8.5% 00	2/1/2000	1/26/1995	8.5	150,000	USD
293561AN6						ENRON CORP NT 9.125% 03	4/1/2003	4/5/1991	9.125	200,000	USD
						ENRON CORP NT 9.5% 01	6/15/2001	5/31/1989	9.5	100,000	USD

Issue	Amount (in 000s)	Currency	Issue Date	Maturity Date	Issuer	Bloomberg Number	SEDOL	ISIN	CUSIP 3	CUSIP 2	CUSIP 1
293561BV7	250,000	USD	9/24/1998	3/30/2000	ENRON CORP NT FLOAT 00						
293561BR6	150,000	USD	11/18/1999	11/13/1997	ENRON CORP NT FLOAT 99						
293561CA2	150,000	USD	11/13/1997	3/7/2000	Enron Corp NT FLT 144A 01				EC2370814		
293561BP0	1,000,000	USD	9/10/2001	3/7/2000	ENRON CORP RMKTD RSET FLT 37			2311788			
293561AU0	200,000	USD	11/15/2037	11/6/1997	ENRON CORP SR DEBS 7% 23						
293561AE6	100,000	USD	8/15/2023	8/19/1993	ENRON CORP SR NT 10% 98						
293561BX3	100,000	USD	6/1/1998	6/2/1998	ENRON CORP SR NT 7.375% 19						
293561AF3	500,000	USD	5/15/2019	5/19/1999	ENRON CORP SR NT 9.875% 03						
293561CC8	100,000	USD	6/15/2003	6/15/1988	ENRON CORP SR CV ZRO 144 A 21						
293561CD6	614,612	USD	2/7/2021	2/7/2001	Enron Corp SR NT CV ZERO 21						
293561CB0	1,293,086	USD	2/7/2021	2/7/2001	Enron Corp SR NT FLT 7.875% 03						
293561AS5	325,000	USD	6/15/2003	6/1/2000	ENRON CORP SR SB DB 8.25% 12						
293561AT3	150,000	USD	9/15/2012	9/17/1992	ENRON CORP SR SBN 6.75% 05			2616609			
293561AA4	200,000	USD	7/1/2005	6/17/1993	ENRON CORP SR SBD 10.625% 99						
51	700,000	USD	2/15/1999	2/6/1987	ENRON CORPORATION .97% (MTN) 18.6.2004			7177327			
52	10,000,000	JPY	6/18/2004	6/5/2001	ENRON CORPORATION 0.47% BDS 7/3/2001 JPY						
53	20,000,000	JPY	3/7/2001	2/2/2000	ENRON CORPORATION 0.48% BDS 7/5/2001 JPY						
54	20,000,000	JPY	5/17/2001	5/10/2000	ENRON CORPORATION 0.493% MTN 13/06/2002 JPY						
55	20,000,000	JPY	6/13/2002	6/15/2001	ENRON CORPORATION 4.275% 8/4/05						
56	400,000	Euro	4/8/2005	3/31/1999	ENRON CORPORATION FR MTN 06/2003 JPY100000			XS0130764649	EC3993465		
57	100,000	USD	9/1/2004	8/12/1997	ENRON NETS TR EXCH TRSEC144A04						
58	175,000	USD	12/15/2008	12/9/1998	ENRON OIL & GAS CON NT 6.0% 08			2326964			
59	100,000	USD	9/15/2004	9/23/1997	ENRON OIL & GAS CON NT 6.5% 04						
60	100,000	USD	12/1/2007	11/24/1997	ENRON OIL & GAS CON NT 6.5% 07						
61	150,000	USD	4/1/2028	4/3/1998	ENRON OIL & GAS CON NT 6.65% 28						
62	150,000	USD	11/15/2006	11/13/1996	ENRON OIL & GAS CON NT 6.7% 06						
63	150,000	USD	12/1/2011	11/28/2001	EOG CO CDA GTD NT 144A 7% 11						
64	220,000	USD	2/15/1998	2/22/1991	EOG RESOURCES INC						
65	100,000	USD	10/1/2009	9/28/1999	EOTT ENERGY PARTNERS L P / EOTT ENERGY FIN CORP						
66	235,000	USD	4/15/2008	4/6/1998	FIRSTWORLD COMMUNICATIONS INC				337625AAC1		
67	470,000	USD	10/15/2002	10/20/1988	INTERNORTH INC						
68	150,000	USD	10/15/2002	10/20/1988	INTERNORTH INC DEB 12.5% 02						
69	150,000	USD	6/1/2008	6/2/1988	INTERNORTH INC S D EXCH 10.5% 08						
70	240,000	USD	6/1/1999	5/19/1992	NORTHERN NAT GAS CO						
71	250,000	USD	5/1/2005	5/4/1993	NORTHERN NAT GAS CO						
72	100,000	USD	9/15/2008	9/1/1998	NORTHERN NAT GAS CO						
73	150,000	USD	6/1/2011	5/24/1999	NORTHERN NAT GAS CO						
74	250,000	USD	5/1/2010	4/13/1988	PANHANDLE EASTN PIPE LINE CO						
75	105,750	USD	4/15/2025	4/5/1995	PANHANDLE EASTN PIPE LINE CO						
76	100,000	USD	5/15/2005	5/10/1995	PANHANDLE EASTN PIPE LINE CO						
77	100,000	USD	9/24/1986	9/24/1986	PANHANDLE EASTN PIPE LINE CO						
78	100,000	USD	11/1/2011	11/1/2011	PANHANDLE EASTN PIPE LINE CO						

CUSIP	CUSIP 2	CUSIP 3	Bloomberg Number	SEDOL	ISIN	Issuer	Maturity Date	Issue Date	Coupon (in 000s)	Issue Amount (in 000s)	Currency
79						PANHANDLE EASTN PIPE LINE CO	8/15/2024	8/16/1993	7.2	100,000	USD
80						PANHANDLE EASTN PIPE LINE CO	8/15/2004	8/16/1994	7.875	100,000	USD
81	698465BC4		698465BE0			PANHANDLE EASTN PIPE LINE CO	4/1/2010	3/22/2000	8.25	100,000	USD
82	736508AM4					PORTLAND GEN ELEC CO	12/1/2005	12/11/1986	11.625	50,000	USD
83	736508AQ5					PORTLAND GEN ELEC CO	8/1/2010	4/18/1986	13.875	75,000	USD
84	736508AR3					PORTLAND GEN ELEC CO	10/1/2012	5/4/1988	13.5	75,000	USD
85	736508AS1					PORTLAND GEN ELEC CO	11/15/1999	12/7/1987		75,000	USD
86	73651HAT8					PORTLAND GEN ELEC CO	8/12/1999	8/12/1991	8.88	6,500	USD
87	73651HAW1					PORTLAND GEN ELEC CO	8/12/2001	8/1/1991	9.46	10,000	USD
88	736508AG7					PORTLAND GEN ELEC CO 1ST MTG 7.75% 02	11/1/2002	10/25/1972	7.75	20,000	USD
89	736508AX0	736508BD3				PORTLAND GEN ELEC CO 1ST MTG 7.75% 23	4/15/2023	4/13/1993	7.75	150,000	USD
90	736508AC6					PORTLAND GEN ELEC CO 1ST MTG 6.6% 97	10/1/1997	9/26/1967	6.6	24,000	USD
91	736508BF8	73651HBL4				PORTLAND GEN ELEC CO MTN AMBAC 06/07	6/15/2007	5/16/1995	7.15	50,000	USD
92	73651HBE0					PORTLAND GEN ELEC CO MTNS BE FR 5.65% 051598	5/15/1998	5/7/1993	5.65	27,000	USD
93	73651HBF7					PORTLAND GEN ELEC CO MTNS BE FR 5.69% 081598	8/15/1998	7/29/1993	5.69	35,000	USD
94	73651HBG5					PORTLAND GEN ELEC CO MTNS BE FR 6.47% 081503	8/15/2003	7/29/1993	6.47	40,000	USD
95	73651HBM2					PORTLAND GEN ELEC CO MTNS BE FR 6.625% 083199	8/31/1999	8/26/1996	6.625	50,000	USD
96	73651HBK6					PORTLAND GEN ELEC CO MTNS BE FR 6.75% 061500	6/15/2000	5/16/1995	6.75	25,000	USD
97	73651HBH3					PORTLAND GEN ELEC CO MTNS BE FR 6.75% 091597	9/15/1997	8/17/1994	6.75	30,000	USD
98	73651HAY7					PORTLAND GEN ELEC CO MTNS BE FR 7.28% 011399	1/13/1999	1/6/1992	7.28	16,000	USD
99	73651HBJ9					PORTLAND GEN ELEC CO MTNS BE FR 7.4% 091501	9/15/2001	8/17/1994	7.4	45,000	USD
100	73651HBD2					PORTLAND GEN ELEC CO MTNS BE FR 7.6% 072104	7/12/2004	7/7/1992	7.6	8,000	USD
101	73651HBC4					PORTLAND GEN ELEC CO MTNS BE FR 7.61% 071404	7/14/2004	7/7/1992	7.61	11,000	USD
102	73651HBB6					PORTLAND GEN ELEC CO MTNS BE FR 7.61% 072004	7/20/2004	7/7/1992	7.61	26,000	USD
103	73651HAX9					PORTLAND GEN ELEC CO MTNS BE FR 7.66% 011402	1/14/2002	1/6/1992	7.66	5,000	USD
104	73651HAY3					PORTLAND GEN ELEC CO MTNS BE FR 9.31% 081121	8/1/2021	8/1/1991	9.31	15,000	USD
105	736508BC5	736508BE1				PORTLAND GEN ELEC CO NT 7.875% 10	3/15/2010	3/8/2000	7.875	150,000	USD
106	736508D@8					PORTLAND GENERAL ELEC	1/1/1999	10/1/1978	9.4	50,000	USD
107	736508E*9					PORTLAND GENERAL ELEC	1/1/1998	11/1/1978	9.8	50,000	USD
108	736508F*8					PORTLAND GENERAL ELEC	6/30/2000	12/31/1985	11.1	108,626	USD
109	736508F#4					PORTLAND GENERAL ELEC	2/1/2000	2/1/1980	13.25	55,000	USD
110	832053AA0					SMITH ENRON COGENERATION LP	12/15/2006	2/8/1996		50,000	USD
111	864282AA6	TT3171952				SUBIC POWER CORP	12/28/2008	12/20/1993	9.5	105,000	USD
112	89278*AA6					TRAILBLAZER PIPELINE	9/1/2002	9/1/1992	8.03	101,000	USD
113	894061AB6					TRANSWESTERN PIPELINE	1/15/2000	12/10/1992	7.55	100,000	USD
114	894061B*0					TRANSWESTERN PIPELINE	1/1/2004	12/1/1989	9.2	27,000	USD

SCHEDULE A4

Foreign Debt Securities

CUSIP	CUSIP 2	CUSIP 3	Bloomberg Number	SEDOL	Issuer	Maturity Date	Issue Date	Coupon	Issue Amount (in 000s)	Currency
1 29357YAB9			EC3933727		ENRON CR LINKED NTS TR \$ CR LKD 144A 06	5/15/2006	5/17/2001	7.375	500,000	USD
2 29357YAA1			EC2854791		ENRON CR LINKED NTS TR NT 144A 8% 05	8/15/2005	8/17/2000	8	500,000	USD
3 29357YAD5			EC3933743	7128314	ENRON CR LINKED NTS TR STRLING LKD 144A06	5/15/2006	5/17/2001	7.25	125,000	GBP
4			EC3933768	7128336	ENRON CRED LKD NTS 6.5% BDS 24/5/06 EUR 144A	5/24/2006	5/17/2001	6.5	200,000	Euro
5 999364@A0	571228AB1	571228AA3	EC4211503		MARLIN WATER TR II/MARLIN WATER CAP CORP II	7/15/2003	7/12/2001	6.19	515,000	Euro
6 571226AA7	571226AB5		EC0776152		MARLIN WTR TR & MARLIN WTR CAP SR SEC NT 144A01	12/15/2001	12/8/1998	7.09	1,024,000	USD
7 571228AC9	571228AD7		EC4213210		MARLIN WTR TR II / MARLIN WTR \$SR SEC NT 144A03	7/15/2003	7/12/2001	6.31	475,000	USD
8 688407AD7	688407AF2		EC2972809		OSPREY TR / OSPREY I INC \$SRSEC NT 144A03	1/15/2003	9/28/2000	7.797	750,000	USD
9 688407AA3	688407AB1		EC1816601		OSPREY TR / OSPREY I INC SR SEC NT 144A03	1/15/2003	9/16/1999	8.31	1,400,000	USD
10 688407AE5	688407AG0		EC2972247	451214	OSPREY TRUST 6.375% BDS 15/1/03 EUR 144A	1/15/2003	9/28/2000	6.375	315,000	Euro
11 987406AA3			EC1972420	2531564	YOSEMITE SECS TR I LNKD-99A 144A 04	11/15/2004	11/4/1999	8.25	750,000	USD
12			EC2288164	5903535	YOSEMITE SECURITIES CO LTD 8.75% 23/2/2007	2/23/2007	2/15/2000	8.75	200,000	GBP

1999-2002

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

GOVERNMENT
RECORDS

LAWRENCE E. JAFFE PENSION PLAN, On Behalf of Itself)
and All Others Similarly Situated,

Plaintiff,

vs.

HOUSEHOLD INTERNATIONAL, INC., et al.,

Defendants.

Lead Case No. 02-C-5893
(Consolidated)
CLASS ACTION
Judge Ronald A. Guzman
Magistrate Judge Nan R. Nolan

APR 10 11 11 AM '06
RECORDED

NOTICE OF PENDENCY AND PROPOSED PARTIAL SETTLEMENT OF CLASS ACTION

IF YOU PURCHASED OR OTHERWISE ACQUIRED HOUSEHOLD INTERNATIONAL, INC. ("HOUSEHOLD") SECURITIES DURING THE PERIOD BEGINNING OCTOBER 23, 1997 THROUGH OCTOBER 11, 2002, INCLUSIVE, YOU COULD GET A PAYMENT FROM A CLASS ACTION SETTLEMENT.

The Lead Plaintiffs in this case have brought a lawsuit against Household International, certain of its affiliated persons and Arthur Andersen LLP ("Andersen"). The basis for the lawsuit is an allegation that Household International Inc. falsely inflated the value of its securities by disseminating information that was materially false or misleading. Arthur Andersen LLP is included as a defendant in the lawsuit because of the allegation that it took part in falsely inflating the value of Household International Inc.'s securities by disseminating information that was materially false or misleading. The lawsuit has been brought as a class action and the Court has certified a Class of certain persons who purchased or otherwise acquired Household securities between October 23, 1997 and October 11, 2002, inclusive. This notice is to inform you that the Court has certified a class of persons eligible to receive a portion of any funds recovered by the lawsuit and that the lead plaintiffs and one of the defendants, Arthur Anderson LLP, have reached a settlement as to the claims against Arthur Andersen LLP only, the lawsuit continues as to the other defendants. This settlement is now being presented for the Court's approval.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

Security and Time Period: Household securities purchased or acquired between October 23, 1997 and October 11, 2002.

Settlement Fund: Arthur Andersen LLP has agreed to pay \$1,500,000 in cash into a Settlement Fund. Because the class is comprised of hundreds of thousands of members, an attempt to process the claims and distribute the money in the settlement fund to those who are eligible right now would be extremely expensive and would likely cost more than the amount obtained by this partial settlement. Therefore, the settlement fund will be held in escrow and will be distributed only when the case is finished against the remaining defendants as well. This is a partial settlement only and this class action will continue to be litigated against the other defendants listed in Question 1 below.

Reasons for Settlement with Andersen: Avoids the risks associated with continued litigation, including the danger of no recovery from Andersen.

If the Case Against Andersen Had Not Settled: Continuing with the case against Andersen could have resulted in a finding that Andersen was not liable for the alleged violations of the securities laws. In addition, the two sides do not agree on the amount of money that could have been won if Lead Plaintiffs prevailed against Andersen at trial. The parties disagree about: (1) the method for determining whether Household securities were artificially inflated during the relevant period; (2) the amount of any such inflation; (3) the extent that various facts alleged by Lead Plaintiffs were materially false or misleading; and (4) the extent that various facts alleged by Lead Plaintiffs influenced the trading prices of Household securities during the relevant period.

Attorneys' Fees and Expenses: Court-appointed Lead Counsel will not seek attorneys' fees at this time.

Deadlines:

Request Exclusion: March 20, 2006
File Objection: March 20, 2006

Court Hearing on Fairness of Settlement: April 6, 2006

More Information: www.gilardi.com or

Household Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

Lead Counsel:
Rick Nelson
Shareholder Relations
Lerach Coughlin Stoia Geller
Rudman & Robbins LLP
655 West Broadway, Suite 1900
San Diego, CA 92101

- Your legal rights are affected whether you act, or don't act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

EXCLUDE YOURSELF

To do this you must take the steps described in paragraph 10 below. If you choose to exclude yourself from the class of plaintiffs, then you'll get no payment from any sums of money, including this partial settlement, which may be recovered against any of the defendants by this lawsuit. However, you are free to file your own lawsuit or to attempt in any other legal manner to obtain payment from these defendants for the actions complained of in this lawsuit.

INCLUDE YOURSELF

If you do not take steps to exclude yourself and are otherwise eligible, you will be automatically included in the class. If included in the class of plaintiffs, then all of your rights to compensation against these defendants for the actions alleged in this complaint will be decided by this court in this case. You will not be allowed to file another or separate lawsuit against these defendants.

As a member of the class of plaintiffs you have the right to object if you don't approve of this partial settlement with defendant Andersen, or any other settlement that may occur in this case in the future. You may ask the court for a hearing at which you can state your objections to the settlement and ask the court to refuse to approve the settlement.

- These rights and options — **and the deadlines to exercise them** — are explained in this Notice.
- The Court in charge of this case must decide whether to approve the settlement.

BASIC INFORMATION

1. Why Did I Get This Notice Package?

You or someone in your family may have purchased or acquired Household securities between October 23, 1997 and October 11, 2002.

The Court approved sending you this Notice because you have a right to know about the proposed partial settlement of this lawsuit and about all of your options before the Court decides whether to approve the settlement with Andersen.

This package explains the lawsuit, the settlement and your legal rights.

The Court in charge of the case is the United States District Court for the Northern District of Illinois, Eastern Division, and the case is known as *Lawrence E. Jaffe Pension Plan v. Household International, Inc.*, Lead Case No. 02-C-5893 (Consolidated). The people who sued are called the Lead Plaintiffs, and the entities and individuals they sued, Andersen, Household, William F. Aldinger, David A. Schoenholz, Gary Gilmer, and J.A.Vozar, are called the defendants. The only defendant settling at this time is Andersen.

2. What Is This Lawsuit About?

This case was brought as a class action alleging that Andersen violated the securities laws by helping the individual defendants conceal the true nature of Household's financial results by issuing an opinion on Household's financial statements during the relevant time period. Andersen has denied that it did anything wrong.

3. Why Is This a Class Action?

In a class action, one or more people called class representatives (in this case the Court-appointed Lead Plaintiffs, Glickenhau & Company, PACE Industry Union Management Pension Fund and The International Union of Operating Engineers Local No. 132 Pension Plan), sue on behalf of people who have similar claims. Here, all these people are called a Class or Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. Judge Ronald A. Guzman is in charge of this class action.

4. Why Is There a Settlement with Andersen?

The Court did not decide in favor of Lead Plaintiffs or Andersen. Instead, these parties agreed to a settlement without agreeing upon the merits of the asserted claims, and without Andersen admitting to any wrongdoing. That way, the parties avoid the risks and costs of a trial, and eligible Class Members who make a valid claim will get compensation. The Lead Plaintiffs and their attorneys think the settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT

5. How Do I Know if I Am Part of the Settlement?

The Class includes *all Persons who purchased or otherwise acquired Household securities during the period between October 23, 1997 and October 11, 2002, only with respect to claims brought pursuant to Sections 10 and 20 of the Securities Exchange Act of 1934 and Securities and Exchange Commission Rules promulgated thereunder, except those persons and entities that are excluded, as described below.*

6. What Are The Exceptions to Being Included?

You are not a Class Member if you are Andersen, one of the individual defendants listed in Question 1 above, Household, a member of the immediate family of an individual defendant, an entity in which Andersen, an individual defendant or Household has or had a controlling interest or which is related to or affiliated with Andersen, Household or any individual defendant, a current or former director or officer of Household or Andersen, and a legal representative, heir, successor, or assign of any excluded party.

If you sold Household securities between October 23, 1997 and October 11, 2002, that alone does not make you a Class Member. You are a Class Member only if you purchased or otherwise acquired Household securities between October 23, 1997 and October 11, 2002.

7. I'm Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can call Rick Nelson at 619/231-1058 for more information.

THE SETTLEMENT BENEFITS

8. What Does the Settlement Provide?

Andersen has agreed to pay \$1.5 million in cash to be divided among eligible Class Members. The funds obtained from Andersen will be held in an escrow account until such time as Lead Plaintiffs have obtained a settlement or judgment against the remaining defendants.

9. What Am I Giving Up to Stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Andersen about the same legal issues in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will release your claims in this case against Andersen. In summary, you will release all claims based upon your purchase or acquisition of Household securities between October 23, 1997 and October 11, 2002, all claims that relate to the defense or settlement of this case with Andersen. In addition, unless you exclude yourself, you may be bound by all future decisions concerning the remaining defendants in this case.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want to be part of this Class, and you want to keep the right to sue or continue to sue Andersen (and perhaps the remaining defendants) on your own about the same legal issues in this case, then you must take steps to get out of the Class. This is called excluding yourself or is sometimes referred to as opting out of the Class.

10. How Do I Get Out of the Class?

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from *Lawrence E. Jaffe Pension Plan v. Household International, Inc.*, Lead Case No. 02-C-5893 (Consolidated). You must include your name, address, telephone number, your signature, and the number and type of Household securities you purchased or acquired between October 23, 1997 and October 11, 2002, the number and type of securities sold during this time period, if any, and the dates of such purchases and sales. You must mail your exclusion request postmarked no later than March 20, 2006 to:

Household Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to get any future settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens with respect to Andersen in this lawsuit.

11. If I Do Not Exclude Myself, Can I Sue Andersen for the Same Thing Later?

No. Unless you exclude yourself, you give up any right to sue Andersen for the claims resolved by this settlement and may be giving up the right to sue the remaining defendants in this case. If you have a pending lawsuit against Andersen or any of the other defendants in this case, speak to your lawyer in that case immediately. Remember, the exclusion deadline is March 20, 2006.

12. If I Exclude Myself, Can I Get Money from This Settlement?

No. If you exclude yourself, you will not be allowed to make a future claim for recovery. But, you may sue, or be part of a different lawsuit against Andersen.

THE LAWYERS REPRESENTING YOU

13. Do I Have a Lawyer in This Case?

The Court asked the law firm of Lerach Coughlin Stoia Geller Rudman & Robbins LLP to represent you and other Class Members.

These lawyers are called Lead Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

14. How Will the Lawyers Be Paid?

Lead Counsel have decided not to seek payment for attorneys' fees or out-of-pocket expenses at this time. However, eventually the lawyers will be requesting the court to award them attorney's fees which may come out of any money gained from any settlement (including this partial settlement) or judgment in this case.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you don't agree with the settlement or some part of it.

15. How Do I Tell the Court that I Don't Like the Settlement?

If you are a Class Member, you can object to the settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the settlement in *Lawrence E. Jaffe Pension Plan v. Household International, Inc.*, Lead Case No. 02-C-5893 (Consolidated). Be sure to include your name, address, telephone number, your signature, the number and type of Household securities purchased, acquired and sold between October 23, 1997 and October 11, 2002, and after October 11, 2002, and the reasons you object to the settlement. Any objection to the settlement must be mailed or delivered such that it is received by each of the following on or before March 20, 2006:

Court:

Clerk of the Court
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION
Everett McKinley Dirksen Building
219 South Dearborn Street
Chicago, IL 60604

Lead Counsel for Plaintiffs:

Joy Ann Bull
LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
655 West Broadway, Suite 1900
San Diego, CA 92101

Counsel for Andersen:

Stanley J. Parzen
MAYER, BROWN, ROWE & MAW LLP
71 South Wacker Drive
Chicago, IL 60606

16. What's the Difference Between Objecting and Excluding?

Objecting is simply telling the Court that you don't like something about the settlement. You can object *only if* you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

17. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a fairness hearing at 10:00 a.m., on April 6, 2006, at the Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Guzman will listen to people who have asked to speak at the hearing. The Court may decide these issues at the hearing or take them under consideration. We do not know how long these decisions will take.

18. Do I have to Come to the Hearing?

No. Lead Counsel will answer questions Judge Guzman may have. But, you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

19. May I Speak at the Hearing?

You may ask the Court for permission to speak at the fairness hearing. To do so, you must send a letter saying that it is your intention to appear in *Lawrence E. Jaffe Pension Plan v. Household International, Inc.*, Lead Case No. 02-C-5893 (Consolidated). Be sure to include your name, address, telephone number, your signature, and the number and type of Household securities purchased or acquired between October 23, 1997 and October 11, 2002. Your notice of intention to appear must be received no later than March 20, 2006, and be sent to the Clerk of the Court, Lead Counsel, and Andersen's counsel, at the three addresses listed in question 15. You cannot speak at the hearing if you exclude yourself from the Class.

IF YOU DO NOTHING

20. What Happens if I Do Nothing at All?

Unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Andersen about the same legal issues in this case.

GETTING MORE INFORMATION

21. Are There More Details About the Settlement?

This Notice summarizes the proposed settlement. More details are in the Stipulation of Settlement with Arthur Andersen LLP dated as of June 16, 2005. You can get a copy of this stipulation by writing to Rick Nelson, Shareholder Relations, Lerach Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, or from the Clerk's office at the United States District Court for the Northern District of Illinois, Eastern Division, Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois during regular business hours.

22. How Do I Get More Information?

You can: (1) call 619/231-1058 or write to Rick Nelson, Shareholder Relations, Lerach Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101; or (2) visit the website at www.gilardi.com.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO NOMINEES

If you held any Household securities purchased or acquired between October 23, 1997 and October 11, 2002 as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such Persons; or (2) provide a list of the names and addresses of such persons to the Claims Administrator:

Household Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

If you choose to mail the Notice yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Household Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040



Important Legal Document

HSHD1

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: JANUARY 31, 2006

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

UNITED STATES SECURITIES
) EXCHANGE COMMISSION,

Plaintiff,

v.

BRISTOL-MYERS SQUIBB COMPANY,

Defendant.

Civil Action No. 04-3680 (FSH)

NOTICE OF SETTLEMENT

TO: ALL PERSONS OR ENTITIES WHO PURCHASED COMMON STOCK OF BRISTOL-MYERS SQUIBB COMPANY BETWEEN JANUARY 1, 2000 AND DECEMBER 31, 2001, INCLUSIVE.

YOU ARE HEREBY NOTIFIED of a settlement (the "SEC Settlement") in the above-captioned action. Bristol-Myers Squibb Company ("BMS") has agreed, without admitting or denying the allegations in the complaint of the United States Securities and Exchange Commission (the "SEC"), to relief including the following: (1) disgorgement of \$1; (2) a civil penalty of \$100 million; and (3) an additional \$50 million payment into a fund for the benefit of shareholders.

ACCORDINGLY, a total of \$150,000,001.00 plus interest (the "SEC Settlement Fund"), less distribution costs, is eligible to be distributed pro rata to persons and entities who purchased BMS common stock between January 1, 2000 through and including December 31, 2001. This recovery is in addition to the amount recovered in In re Bristol-Myers Squibb Securities Litigation, Master File No. 02-cv-2251 (LAP), pending in the United States District Court for the Southern District of New York (the "BMS Securities Litigation Settlement").

PLEASE NOTE that the period covered by the SEC Settlement is not the same as the Class Period in the BMS Securities Litigation Settlement. As a result, only individuals and entities that purchased BMS common stock between January 1, 2000 through and including December 31, 2001, may make a claim for an additional distribution from the SEC Settlement Fund.

PLEASE NOTE that no attorneys' fees can be claimed, and none will be deducted, from the SEC Settlement Fund.

IF YOU PURCHASED COMMON STOCK OF BMS DURING THE PERIOD FROM JANUARY 1, 2000 THROUGH AND INCLUDING DECEMBER 31, 2001, YOU MAY BE ELIGIBLE TO SHARE IN THE SEC SETTLEMENT FUND. The claims administrator for the SEC Settlement Fund is The Garden City Group, Inc. If you wish to recover from the SEC Settlement Fund and the moneys recovered in the BMS Securities Litigation Settlement, please follow the instruction in the Notice of Pendency and Proposed Settlement of Class Action and Proof of Claim and Release Form for the BMS Securities Litigation Settlement ("Notice"), which is enclosed herewith. If, for whatever reason, you have not received the Notice, you may obtain copies of these documents by contacting, In re Bristol-Myers Squibb Securities Litigation, c/o The Garden City Group, Inc., Claims Administrator, PO Box 9000 #6252, Merrick, New York 11566-9000, (800) 326-4150. Copies of the Notice and Proof of Claim and Release form may also be downloaded from: www.bermanesq.com or www.blbgilaw.com. YOU MUST SUBMIT A PROOF OF CLAIM AND RELEASE FORM NO LATER THAN JANUARY 31, 2005.

PLEASE NOTE that if you want to be excluded from the BMS Securities Litigation Settlement pursuant to paragraph 58 of the Notice, but still want to share in the SEC Settlement Fund, then you must: (a) follow the instructions in paragraph 58 of the Notice requesting exclusion from the Class, and (b) include the following language in your exclusion letter: "I (we) do, however, wish to share in the SEC Settlement Fund." You will then receive additional instructions in the mail.

PLEASE NOTE that funds from the SEC Settlement Fund will be distributed based on a calculation of loss amounts as described in the Plan of Allocation set forth in paragraph 42(a) of the Notice. Any funds remaining from the SEC Settlement Fund after the distribution and the payment of costs associated with the distribution will be returned to the United States District Court for the District of New Jersey and thereafter disbursed according to the law.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. Inquiries, other than requests for the Notice and Proof of Claim form, may be made to:

Steven L. Klawans
Alexander T. Moore
U.S. Securities and Exchange Commission
Midwest Regional Office
175 West Jackson Boulevard, Suite 900
Chicago, IL 60604
(312) 353-7390 (phone)
2) 353-7398 (fax)

Dated: September 3, 2004

In re Bristol-Myers Squibb Securities Litigation
c/o The Garden City Group
Claims Administrator
P.O. Box 9000 #6252
Merrick, NY 11566-9000
1 (800) 326-4150

TO: POTENTIAL CLASS MEMBERS

RE: NOTICE OF SETTLEMENT OF IN RE BRISTOL MYERS-SQUIBB, INC.
SECURITIES LITIGATION, Master File No. 02-CV-2251 (LAP)

On November 2, 2004, the Garden City Group Inc. as Claims Administrator for this Class Action received a request from your brokerage firm that you be sent the enclosed Claim Packet (defined below) because you are a person who may be affected by the settlement of the above-captioned action. Pursuant to Court Order, on or about August 25, 2004, your brokerage firm was mailed a copy of the enclosed Notice of Pendency of Class Action, Hearing on Proposed Settlement and Attorneys' Fee Petition and Right to Share in Settlement Fund and Proof of Claim form (collectively, the "Claim Packet") which directed it to, within seven days of receipt of the Claim Packet, either supply the Claims Administrator with the names and addresses of persons for whom it purchased Bristol-Myers Squibb common stock during the relevant period or requested additional copies of the Claim Packet to mail directly to you. As noted above, the Claims Administrator did not receive your name and address until November 2, 2004.

You will note that the deadline for submitting a Proof of Claim is January 31, 2005. If you are a Class Member and have not yet filed a Proof of Claim, we urge you to do so immediately.

If you have any questions with respect to the Claim Packet, please do not hesitate to contact the Claims Administrator at the toll-free number indicated above.

The Garden City Group, Inc.

Claims Administrator

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re Bristol-Myers Squibb
Securities Litigation

Master File No. 02-cv-2251 (LAP)

This Matter Pertains to All Cases

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

If you bought common stock of Bristol-Myers Squibb Company between October 19, 1999 and March 10, 2003, inclusive, you could get a payment from the Class Action Settlement described below.

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

This Notice explains important rights you may have, including your possible receipt of cash from the Settlement discussed below. Your legal rights are affected whether you do or do not act. Also enclosed is a Proof of Claim form that you must complete and submit by January 31, 2005 to participate in the Settlement. Please read this Notice carefully!

1. **Statement of Plaintiff Recovery:** This Notice relates to a proposed settlement (the "Settlement") of a class action

lawsuit filed by the plaintiffs, the Teachers' Retirement System of Louisiana; the General Retirement System of the City of Detroit; the Louisiana State Employees' Retirement System; and the Fresno County Employees' Retirement Association (collectively the "Lead Plaintiffs"), on behalf of themselves and as representatives of the Class (as hereinafter defined) against the defendants, Bristol-Myers Squibb Company ("BMS", "Bristol-Myers Squibb" or the "Company"); and Peter R. Dolan; Harrison M. Bains, Jr.; Peter Ringrose; Charles A. Heimbald; Frederick S. Schiff; Michael F. Mee; Richard J. Lane and Curtis L. Tomlin (collectively, without BMS, the "Individual Defendants," and together with BMS, the "Defendants") (the "Action"). The Lead Plaintiffs and Defendants are referred to herein as the "Parties." The total value of the Settlement with the Defendants is \$300 million (three hundred million dollars) in cash plus interest. In particular, the Settlement will create a Settlement Fund to pay claims of investors who purchased BMS common stock between October 19, 1999 and March 10, 2003, inclusive (the "Class Period"). The Net Settlement Fund (the Settlement Fund less notice and administration costs, attorneys' fees and litigation expenses awarded to Plaintiffs' counsel and certain Tax and Tax expenses) will be distributed in accordance with a plan of allocation (the "Plan of Allocation"). Lead Plaintiffs' damages expert estimates that approximately 1,470,310,854 shares may have been damaged during the Class Period as a result of Defendants' allegedly wrongful conduct. Assuming that the owners of all affected shares elect to participate, the average per share recovery from the Settlement Fund would be approximately \$0.20 per damaged share. However, the amount each Class Member who submits a valid Proof of Claim will actually receive depends on, among other things (i) the number of claims submitted; (ii) when the Class Member purchased his, her or its shares; (iii) whether those shares were held until the end of the Class Period or sold during the Class Period, and, if sold, when and for how much, as discussed more fully below.

2. **Reasons for the Settlement:** The Settlement resolves claims against the Defendants for allegedly violating the

federal securities laws by making false and misleading public statements. However, the Settlement is not and should not be construed as an admission of any fault, liability or wrongdoing whatsoever by any of the Defendants. In light of the fact that all claims against the Defendants were dismissed with prejudice (see (i), below), the amount of the Settlement and the immediacy of recovery to the Class, Lead Plaintiffs believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. Lead Plaintiffs believe that the Settlement provides a substantial benefit in the form of \$300 million in cash (less the various deductions described in this Notice), as compared to the risks and delays of proceeding with the Action. These risks include the fact that (i) the presiding judge, the Honorable Loretta A. Preska of the United States District Court for the Southern District of New York, dismissed all the claims against the Defendants with prejudice and, while Lead Plaintiffs have filed a timely appeal of this decision with the United States Court of Appeals for the Second Circuit (the "Court of Appeals"), there is no assurance that the Court of Appeals would overturn this decision; and (ii) even if the Court of Appeals were to overturn the District Court's dismissal of the claims and this case were to proceed against the Defendants, there is no assurance that Lead Plaintiffs would recover significantly more than the recovery achieved in this Settlement. Moreover, even if the case were to proceed and a later recovery obtained, it could take years of discovery, trial and further appeals to obtain such a recovery, during which time the Defendants would have the opportunity to assert substantial defenses to the claims asserted against them.

3. **Statement of Average Amount of Damages Per Share:** The Parties do not agree on the average amount of

damages per share that would be recoverable if Lead Plaintiffs were to prevail first on appeal and then on the underlying claims asserted against the Defendants. The Defendants deny all liability. In addition, the Parties disagree on, among other things: (i) whether the alleged misrepresentations and omissions were material to investors; (ii) the amount of inflation, if any, caused by the alleged misrepresentations and omissions; and (iii) the percent of responsibility, if any, of each of the Defendants and other third parties for the alleged misrepresentations and omissions.

4. **Statement of Attorneys' Fees and Expenses Sought:** Lead Counsel (as defined in paragraph 21) intends to apply

for an award of attorneys' fees on behalf of all Plaintiffs' counsel not to exceed 7.5% of the Settlement Fund. In addition, Lead Counsel intends to apply for reimbursement of litigation expenses paid and incurred in connection with the prosecution and resolution of the

claims against the Defendants (the "Litigation Expenses"), in an amount not to exceed \$650,000. If the Court approves Lead Counsel's fee and expense application, the average cost per share will be approximately \$0.015, and \$0.00044, respectively.

5. **Identification of Attorneys' Representatives:** Any questions regarding the Settlement should be directed to Lead Counsel: Daniel L. Berger, Bernstein Litowitz Berger & Grossmann LLP, 1285 Avenue of the Americas, New York, New York 10019, (800) 380-8496, www.blbgllaw.com, or Jeffrey C. Block, Berman DeValerio Pease Tabacco Burt & Pucillo, One Liberty Square, Boston, Massachusetts 02109, (800) 516-9926, www.bermanesq.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A PROOF OF CLAIM FORM NO LATER THAN JANUARY 31, 2005	The only way to get a payment.
EXCLUDE YOURSELF FROM THE CLASS NO LATER THAN OCTOBER 26, 2004	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants with respect to the claims in this case.
OBJECT NO LATER THAN OCTOBER 26, 2004	Write to the Court and explain why you do not like the Settlement.
GO TO THE HEARING ON NOVEMBER 9, 2004 AND FILE A NOTICE OF INTENTION TO APPEAR NO LATER THAN OCTOBER 26, 2004	Ask to speak in Court about the fairness of the Settlement.
DO NOTHING	Get no payment. Give up your rights.

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WHY DID I GET THIS NOTICE?

6. You or someone in your family may have purchased common stock of BMS between October 19, 1999 and March 10, 2003, inclusive. The Court sent you this Notice because, as a potential Class Member, you have a right to know about the proposed Settlement of the claims asserted in this Class Action and your options before the Court determines whether to approve the Settlement. If the Court approves the Settlement, after objections and appeals are resolved, a claims administrator selected by Lead Counsel (the "Claims Administrator") will make payments pursuant to the Settlement.

7. The Court in charge of this case is the United States District Court for the Southern District of New York and the case is known as In re Bristol-Myers Squibb Securities Litigation, Master File No. 02-CV-2251 (LAP). The entities that filed this lawsuit are the Teachers' Retirement System of Louisiana; the General Retirement System of the City of Detroit; the Louisiana State Employee Retirement System; and the Fresno County Employees' Retirement Association and the entities and people who have been sued are Bristol-Myers Squibb; Peter R. Dolan; Harrison M. Bains, Jr.; Peter Ringrose; Charles A. Heimbold; Frederick S. Schif; Michael F. Mee; Richard J. Lane; and Curtis L. Tomlin.

8. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for such benefits and how you may receive your portion of the benefits. The purpose of this Notice is to inform you of the terms of the proposed Settlement and to inform you of a hearing to be held by the Court to consider the fairness, reasonableness and adequacy of the proposed Settlement and to consider the application for attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Fairness Hearing").

9. **The Settlement Fairness Hearing:** The Settlement Fairness Hearing will be held at 9:00 a.m. on November 9, 2004, before the Honorable Loretta A. Preska in the United States District Court for the Southern District of New York Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 12A, New York, New York, 10007-1312, to determine

- (i) Whether the proposed Settlement is fair, reasonable and adequate and should be approved by the Court;
- (ii) Whether the claims against the Defendants should be dismissed with prejudice as set forth in the Stipulation and Agreement of Settlement;
- (iii) Whether the proposed Plan of Allocation is fair and reasonable and should be approved; and
- (iv) Whether the application by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses incurred should be approved.

10. The issuance of this Notice is not an expression of the Court's opinion on the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments will be made after all appeals, if any, are resolved and after the completion of all claims processing. Please be patient.

HOW DO I KNOW IF I AM PART OF THIS SETTLEMENT?

11. The Class covered by this Settlement consists of all persons and entities that purchased common stock of BMS between October 19, 1999 and March 10, 2003, inclusive, and who were damaged thereby. Excluded from the Class are: (i) the Defendants; (ii) members of the immediate family of each of the Individual Defendants; (iii) any entity in which any Individual Defendant has a controlling interest; (iv) any parent or subsidiary of BMS; (v) any person who was an officer or director of BMS or any of its subsidiaries during the Class Period; and (vi) the legal representatives, heirs, predecessors, successors or assigns of any of the persons or entities specified in this paragraph. Also excluded from the Class are any putative Class Members who exclude themselves by filing a request for exclusion in accordance with the requirements set forth herein (see "What if I Do Not Want to Participate in the Settlement? How Do I Exclude Myself?" below).

RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A CLASS MEMBER OR ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.

IF YOU WISH TO PARTICIPATE IN THE PROCEEDS FROM THE SETTLEMENT, YOU MUST SUBMIT A PROOF OF CLAIM FORM BY JANUARY 31, 2005.

WHAT RECOVERY DOES THE SETTLEMENT PROVIDE?

12. BMS has agreed to pay three hundred million dollars (\$300,000,000) in cash. Attorneys' fees, Litigation Expenses, notification costs, administration costs and certain Taxes and Tax Expenses will be deducted from these settlement proceeds and the balance will be distributed to the Class.

13. Lead Plaintiffs' damages expert estimates that approximately 1,470,310,854 shares of the Company's common stock traded during the Class Period may have been damaged as a result of the allegedly wrongful conduct. Thus, assuming that the owners of all affected shares elect to participate, the average per-share recovery from the Settlement Fund would be approximately \$0.20.

14. However, the amount of recovery by any particular Class Member depends on a number of factors including (i) when and for what price said Class Member purchased and/or sold his, her or its shares of the Company's common stock; and (ii) the total number of shares for which timely and valid Proof of Claim forms are submitted by Class Members ("Authorized Claimants"). See "How Much Will My Payment Be?" below.

QUESTIONS? VISIT WWW.GARDENCITYGROUP.COM

15. **Timing of Payment:** BMS, on behalf of itself and all defendants, has paid, in settlement of the Settled Claims of Lead Plaintiffs and all the other members of the Class, three hundred million dollars (\$300,000,000) in cash, deposited in the Escrow account for the benefit of the class.

WHY IS THERE A SETTLEMENT?

16. Under the proposed Settlement, the Court will not decide in favor of either the Lead Plaintiffs or the Defendants. By agreeing to a Settlement, both the Plaintiffs and the Defendants avoid the costs and risks of an appeal of the order dismissing the claims against the Defendants with prejudice and protracted litigation and a trial in the Action. Rather, by accepting this Settlement, Class Members will be compensated immediately.

17. In light of the amount of the Settlement, the immediacy of recovery to the Class and the fact that the claims against the Defendants were dismissed with prejudice, Lead Plaintiffs believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of Class Members. Lead Plaintiffs believe that the Settlement provides a substantial benefit; namely three hundred million dollars (\$300,000,000) in cash, less the various deductions described in this Notice, as compared to the risk that (i) the Court of Appeals may not overturn the District Court's dismissal of the claims against the Defendants; and (ii) even if the District Court's dismissal is overturned, the Class might obtain a similar or a smaller recovery, or even no recovery at all, after potentially years of protracted litigation.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

18. If there were no settlement and Lead Plaintiffs (i) failed to prevail on appeal before the Court of Appeals; or (ii) even if they prevailed on appeal, but failed to establish any essential legal or factual element of their claims, neither they nor the Class would recover anything from the Defendants. Also, if the Defendants were successful in proving any of their defenses, the Class likely would recover substantially less than the amount provided in the Settlement, if anything at all.

WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING?

19. Plaintiffs' counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Class, nor have they been reimbursed for their considerable out-of-pocket expenses. In this type of litigation, it is customary for counsel to be awarded a percentage of the Settlement Fund recovered, frequently one-third, as their attorneys' fees, and to receive reimbursement of the expenses advanced in the prosecution of the Action. Lead Counsel intend to apply to the Court for an award of attorneys' fees on behalf of all Plaintiffs' counsel not to exceed 7.5% of the Settlement Fund in connection with this Settlement. In addition, Lead Counsel intend to apply for reimbursement of Litigation Expenses in an amount not to exceed \$650,000. If the application for attorneys' fees and reimbursement of Litigation Expenses is approved by the Court, the average cost per share would be approximately \$0.0155. **NEITHER THE COURT NOR THE DEFENDANTS HAVE EXPRESSED ANY OPINION ON THE APPLICATION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES.** See "How Will the Lawyers Be Paid?" below.

WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

20. BMS is a manufacturer and distributor of pharmaceutical prescription drugs, consumer medicines, nutritional products and beauty care products. Beginning on or about March 21, 2002, fourteen class actions alleging violations of federal securities laws on behalf of purchasers of the Company's common stock were asserted against the Defendants in the United States District Court for the Southern District of New York (the "District Court"). These actions were consolidated pursuant to an October 4, 2002 Order of the Court and are referred to in this Notice as the "Action."

21. The Court appointed the Teachers' Retirement System of Louisiana, the General Retirement System of the City of Detroit, the Louisiana State Employees' Retirement System and the Fresno County Employees' Retirement Association as Lead Plaintiffs in the Action, and approved their choice of Berman DeValerio Pease Tabacco Burt & Pucillo and Bernstein Litowitz Berger & Grossmann LLP as Co-Lead Counsel for the Class (collectively, "Lead Counsel") by Order dated October 10, 2002.

22. There is one controlling complaint in the Action; the Consolidated Class Action Complaint (the "Consolidated Complaint"), filed by Lead Plaintiffs on April 11, 2003, alleges violations of sections 10(b) and 20(a) of the Securities Exchange Act of

1934 and Rule 10b-5 promulgated the order. More specifically, the Consolidated Complaint alleges that, during the Class Period, the Defendants violated the federal securities laws by making a series of false and misleading statements regarding the Company's public reported financial results and the potential for the FDA's approval of the drug Erbitux. The Consolidated Complaint alleges that these statements were set forth in earnings releases, filings with the Securities and Exchange Commission (the "SEC") and other public statements. The Consolidated Complaint alleges that, as a result of the Defendants' dissemination of the allegedly false and misleading statements during the Class Period, the market price of the Company's common stock price was artificially inflated, thereby allegedly causing damages to Class Members.

23. On or about August 1, 2003, the Defendants each filed a motion to dismiss the Consolidated Complaint. Lead Plaintiffs filed oppositions to these motions to dismiss on September 12, 2003. Beginning on October 10, 2003, Defendants filed replies to the motions to dismiss. A hearing was held on March 29, 2004, and on April 2, 2004 the District Court entered a judgment, which granted Defendants' motions to dismiss and dismissed the Consolidated Complaint with prejudice (the "April 2, 2004 Judgment"). On April 28, 2004, Lead Plaintiffs timely filed a Notice of Appeal of the April 2, 2004 Judgment with the Court of Appeals.

24. Over the course of many months, Lead Counsel met with counsel for Defendants to discuss settlement. Ultimately through several intense settlement negotiations, the Parties reached an agreement in principle for a Settlement. The Parties then filed a joint motion with the District Court requesting that the April 2, 2004 Judgment be vacated for settlement purposes and a joint motion with the Court of Appeals asking that the appeal be suspended and the Action remanded back to the District Court for the purposes of settlement. On July 26, 2004, the Court of Appeals suspended the appeal and remanded the Action back to the District Court for purposes of Settlement. On July 30, 2004, the District Court vacated the April 2, 2004 Judgment. Accordingly, the District Court has jurisdiction over this Settlement. Also on July 30, 2004, the District Court executed an order preliminarily approving the terms of this Settlement as set forth in the Stipulation and Agreement of Settlement executed by the parties on July 29, 2004. To the extent defined terms are not defined in this Notice, the use of the terms here is the same as defined in the Stipulation and Agreement of Settlement.

25. Before agreeing to the Settlement, Lead Counsel conducted an extensive investigation into the events and transactions underlying the claims alleged in the Consolidated Complaint. Lead Counsel analyzed potential claims, researched the applicable law with respect to the claims asserted and Defendants' potential defenses thereto and consulted with forensic accountants and economic damage experts. Lead Plaintiffs' investigation included, among other things, reviewing the Company's filings with the SEC, press releases and other publicly-disseminated statements, including records of Congressional investigations, and interviewing former Bristol-Myers Squibb employees who were familiar with the subject matter of the claims.

26. Defendants deny all wrongdoing as alleged by Plaintiffs, and the Settlement is not and may not be construed or deemed to be evidence of, or an admission or a concession, on the part of any of the Defendants of any fault or liability whatsoever on the part of any of them or of any infirmity in any defenses they have asserted or intended to assert. Defendants, while affirmatively denying wrongdoing, fault and liability, consider it desirable and in their best interest that this Action be dismissed under the terms of the proposed Settlement in order to avoid further expense, uncertainty and distraction, or protracted litigation.

WHAT LED UP TO THE SETTLEMENT?

27. The Settlement resulted from extensive arm's-length negotiations among counsel for Lead Plaintiffs and the Defendants. Several settlement discussions took place, which ultimately resulted in an agreement to settle the claims against the Defendants.

WHAT ARE THE LEAD PLAINTIFFS' REASONS FOR THE SETTLEMENT?

28. Lead Plaintiffs and Lead Counsel believe that the claims asserted against the Defendants have merit. However, they recognize the risks of, expense of and delay associated with the continued prosecution of this Action. Most notably, Lead Plaintiffs and Lead Counsel have considered the fact that the presiding Judge dismissed all claims against the Defendants on April 2, 2004 with prejudice. While Lead Plaintiffs timely filed a notice of appeal with the Court of Appeals on April 28, 2004, there exists a serious risk that the Court of Appeals may not overturn the District Court's ruling, in which case this Action would be terminated and the claims against the Defendants could no longer be prosecuted on a class-wide basis. Lead Plaintiffs and Lead Counsel have also taken into account the issues that would have to be decided by a jury including: (i) whether each of the alleged misrepresentations and omissions was material; (ii) whether the Defendants acted knowingly or recklessly in making the alleged misrepresentations and omissions; and (iii) the amount of any damages caused by the alleged misrepresentations and omissions. Lead Plaintiffs and Lead Counsel have also considered the uncertain outcome and trial risk in complex lawsuits like this one. Lead Plaintiffs believe that a recovery now will provide an immediate benefit to Class Members, which is superior to the risk of proceeding with this Action, particularly given that the Court of Appeals must overturn the District Court's dismissal of all claims against the Defendants in order for this Action to proceed. Considering these factors and balancing them against the certain and substantial benefits that the Class will receive as a result of the Settlement, Lead Plaintiffs and Lead Counsel determined that the Settlement described herein is fair, reasonable and adequate, and that it is in the best interests of the Class to settle the claims against the Defendants on the terms set forth in the Stipulation and Agreement of Settlement and this Notice.

HOW MUCH WILL MY PAYMENT BE?

THE PROPOSED PLAN OF ALLOCATION: GENERAL PROVISIONS

29. BMS has agreed to pay three hundred million dollars (\$300,000,000) in cash (the "Settlement Fund").

30. After approval of the Settlement by the Court and upon satisfaction of the other conditions to the Settlement, the Net Settlement Fund (less any taxes and administration costs) will be distributed to Authorized Claimants in accordance with the Plan of Allocation described below.

31. The Settlement Fund will be distributed as follows:

- (i) First, to pay all federal, state and local taxes on any income earned by the Settlement Fund and to pay the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants);
- (ii) To pay costs and expenses in connection with providing notice to Class Members and administering the Settlement on behalf of Class Members;
- (iii) To reimburse Lead Counsel for, and to pay, costs and expenses incurred by Lead Counsel in connection with commencing and prosecuting the Action, with interest thereon if and to the extent allowed by the Court;
- (iv) To pay Lead Counsel's attorneys' fees, to the extent allowed by the Court; and
- (v) Subject to the Order by the Court granting approval of the Settlement and the Plan of Allocation (or such other allocation plan as the Court may approve) becoming Final (meaning that the time for appeal or appellate review of the Judgment granting final approval has expired, or if the Judgment is appealed, that appeal is either decided without causing a material change in the Judgment or upheld on appeal and no longer subject to appellate review by further appeal or writ of certiorari) the balance of the Settlement Fund (the "Net Settlement Fund") shall be distributed in accordance with the Plan of Allocation to Authorized Claimants.

32. There will be no distribution of the Net Settlement Fund until a plan of allocation is finally approved and affirmed on appeal or certiorari and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

33. The Settling Defendants are not entitled to get back any of the settlement consideration once the Court's order approving the Settlement becomes Final. Moreover, the Settling Defendants have no liability, obligation or responsibility for the administration of the Settlement or disbursement of the Net Settlement Fund.

34. Approval of the Settlement is independent from approval of the Plan of Allocation. Any determination with respect to the Plan of Allocation will not affect the Settlement, if approved.

35. Each person wishing to participate in the distribution must timely submit a valid Proof of Claim form and all required documentation no later than January 31, 2005, to the address set forth in the Proof of Claim form that accompanies this Notice. The Proof of Claim form includes a general release of each of the Settling Defendants. Unless otherwise ordered by the Court, any Class Member who fails to submit a Proof of Claim form by January 31, 2005 shall be forever barred from receiving payments pursuant to the Settlement set forth in the Stipulation, but will in all other respects be subject to the provisions of the Stipulation, including the terms of any Judgment entered and releases given. This means that each Class Member releases the Settled Plaintiffs' Claims against the Released Defendant parties and is enjoined and prohibited from filing, prosecuting, or pursuing any of the Settled Plaintiffs' Claims against any of the Released Defendant parties regardless of whether or not such Class Member submits a Proof of Claim form.

36. The Court has reserved jurisdiction to allow, disallow or adjust on equitable grounds the Claim of any Class Member. The Court also reserves the right to modify the Plan of Allocation without further notice to Class Members. Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Counsel or the Claims Administrator or other agent designated by Lead Counsel based on the distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court.

THE PROPOSED PLAN OF ALLOCATION: CALCULATION OF RECOGNIZED CLAIM AMOUNT

37. A "Recognized Claim" will be calculated for each purchase or acquisition of BMS common stock that is listed in the Proof of Claim form, and for which adequate documentation is provided. The calculation of the Recognized Claim will depend upon several factors, including when the shares were purchased or acquired, and whether the shares were held until the conclusion of the Class Period or whether they were sold during the Class Period and, if so, when they were sold.

38. Each Authorized Claimant shall be allocated a pro rata share of the Net Settlement Fund based on his, her or its Recognized Claim compared to the total Recognized Claims of all Authorized Claimants. This is not a claims-made settlement. The Defendants shall not be entitled to get back any of the Settlement Amount once the Effective Date has occurred. The Defendants shall have no involvement in reviewing or challenging claims.

39. A payment to any Authorized Claimant of less than \$10 in total will not be included in the calculation and will NOT be distributed.

40. Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Southern District of New York with respect to his, her or its Proof of Claim.

41. Persons or entities which exclude themselves from the Class will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Proof of Claim forms.

42. The "PSLRA average price" on the date of sale is computed by taking an average of the closing prices of BMS Common Stock beginning on March 11, 2003 through the date of sale.

CALCULATION OF RECOGNIZED CLAIM AMOUNT

43. Plan of Allocation:

(a) For shares purchased between October 19, 1999 and January 23, 2002 and:

- (i) held at the close of business on June 6, 2003, the Recognized Claim per share shall be the lesser of the purchase minus \$23.81 or \$4.00;
- (ii) sold between October 19, 1999 and the close of business on April 1, 2002, there is no Recognized Claim (shares are purchased and sold with the same or greater inflation);
- (iii) sold between April 2, 2002 and the close of business on April 24, 2002, the Recognized Claim per share shall be the lesser of the purchase price minus the sales price or \$2.07;
- (iv) sold between April 25, 2002 and the close of business on July 22, 2002, the Recognized Claim per share shall be the lesser of purchase price minus the sales price or \$3.34;
- (v) sold between July 23, 2002 and the close of business on March 10, 2003, the Recognized Claim per share shall be the lesser of the purchase price minus the sales price or \$4.00; or
- (vi) sold between March 11, 2003 and the close of business on June 6, 2003, the Recognized Claim per share shall be the lesser of the purchase price minus the PSLRA average price on the date of sale or \$4.00.

(b) For shares purchased between January 24, 2002 and April 1, 2002 and:

- (i) held at the close of business on June 6, 2003, the Recognized Claim per share shall be the lesser of the purchase minus \$23.81 or \$8.67;
- (ii) sold between January 24, 2002 and the close of business on April 1, 2002, there is no Recognized Claim (shares are purchased and sold with the same inflation);
- (iii) sold between April 2, 2002 and the close of business on April 24, 2002, the Recognized Claim per share shall be the lesser of the purchase price minus the sales price or \$6.75;
- (iv) sold between April 25, 2002 and the close of business on July 22, 2002, the Recognized Claim per share shall be the lesser of the purchase price minus the sales price or \$8.01;
- (v) sold between July 23, 2002 and the close of business on March 10, 2003, the Recognized Claim per share shall be the lesser of the purchase price minus the sales price or \$8.67; or
- (vi) sold between March 11, 2003 and the close of business on June 6, 2003, the Recognized Claim per share shall be the lesser of the purchase price minus the PSLRA average price on the date of sale or \$8.67.

(c) For shares purchased between April 2, 2002 and April 24, 2002 and:

- (i) held at the close of business on June 6, 2003, the Recognized Claim per share shall be the lesser of the purchase minus \$23.81 or \$1.93;
- (ii) sold between April 2, 2002 and the close of business on April 24, 2002, there is no Recognized Claim (shares are purchased and sold with the same inflation);

- (iii) sold between April 25, 2002 and the close of business on July 22, 2002, the Recognized Claim per share shall be the lesser of the purchase price minus the sales price or \$1.27;
 - (iv) sold between July 23, 2002 and the close of business on March 10, 2003, the Recognized Claim per share shall be the lesser of the purchase price minus the sales price or \$1.93; or
 - (v) sold between March 11, 2002 and the close of business on June 6, 2003, the Recognized Claim per share shall be the lesser of the purchase price minus the PSLRA average price on the date of sale or \$1.93.
- (d) For shares purchased between April 25, 2002 and July 22, 2002 and:
- (i) held at the close of business on June 6, 2003, the Recognized Claim per share shall be the lesser of the purchase price minus \$23.81 or \$0.66;
 - (ii) sold between April 25, 2002 and the close of business on July 22, 2002, there is no Recognized Claim (shares are purchased and sold with the same inflation);
 - (iii) sold between July 23, 2002 and the close of business on March 10, 2003, the Recognized Claim per share shall be the lesser of the purchase price minus the sales price or \$0.66; or
 - (iv) sold between March 11, 2002 and the close of business on June 6, 2003, the Recognized Claim per share shall be the lesser of the purchase price minus the PSLRA average price on the date of sale or \$0.66.
- (e) For shares purchased between July 23, 2002 and December 11, 2002 and:
- (i) held at the close of business on June 6, 2003, the Recognized Claim per share shall be the lesser of the purchase price minus \$23.81 or \$1.75;
 - (ii) sold between July 23, 2002 and the close of business on December 11, 2002, there is no Recognized Claim (shares are purchased and sold with the same inflation);
 - (iii) sold between December 12, 2002 and the close of business on March 10, 2003, the Recognized Claim per share shall be the lesser of the purchase price minus the sales price or \$1.00; or
 - (iv) sold between March 11, 2003 and the close of business on June 6, 2003, the Recognized Claim per share shall be the lesser of the purchase price minus the PSLRA average price on the date of sale or \$1.00.
- (f) For shares purchased between December 12, 2002 and March 10, 2003 and:
- (i) held at the close of business on June 6, 2003 the Recognized Claim per share shall be the lesser of the purchase price minus \$23.81 or \$0.75;
 - (ii) sold between December 12, 2002 and the close of business on March 10, 2003, there is no Recognized Claim (shares are purchased and sold with the same inflation); or
 - (iii) sold between March 11, 2003 and the close of business on June 6, 2003, the Recognized Claim per share shall be the lesser of the purchase price minus the PSLRA average price on the date of sale or \$0.75.

44. For Class Members who held shares at the beginning of the Class Period or made multiple purchases or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases and sales for purposes of calculating a claim. Under the FIFO method, sales of shares during the Class Period will be matched, in chronological order, first against shares held at the beginning of the Class Period. The remaining sales of shares during the Class Period will then be matched, in chronological order, against shares purchased during the Class Period.

WHAT RIGHTS AM I GIVING UP BY AGREEING TO THE SETTLEMENT?

45. If the Settlement is approved, the Court will enter a Final Judgment (the "Judgment"). The Judgment will (i) dismiss the claims against the Defendants with prejudice; and (ii) provide that Lead Plaintiffs and all other Class Members, except those who validly and timely request to be excluded from the Class, shall, upon the settlement Effective Date (as defined in the Stipulation and Agreement of Settlement), be deemed to have and by operation of the Judgment shall have, fully, finally and forever released, waived, discharged and dismissed any and all Settled Plaintiffs' Claims (defined below) against any or all of the Released Defendant Parties as those persons are defined in the Stipulation and Agreement of Settlement and shall be permanently and finally barred and enjoined without the necessity of posting a bond from commencing or prosecuting any actions or other proceedings asserting any of the Settled Plaintiffs' claims either directly, indirectly, representatively, derivatively or in any other capacity against any of the Released Defendants.

46. "Settled Plaintiffs' 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 foreign or domestic), including both known claims and unknown claims, accrued claims and not accrued claims, foreseen claims and unforeseen claims, matured claim and not matured claims, that have been or could have been asserted from the beginning of time to the end of time in any forum by the Class Members or any of them against any of the Released Defendant Parties which arise out of or relate in any way to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, referred to in this Action or that could have been asserted, relating to the purchase, transfer or acquisition of shares of the common stock of BMS during the Class Period, except claims relating to the enforcement of the Settlement of the Action and the "Specifically Excluded Claims" defined below. This release shall constitute an express waiver and relinquishment, to the fullest extent permitted by law of: (a) the provisions, rights, and benefits of Section 1542 of the California Civil Code, which provides that: "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"; and (b) the provisions, rights and benefits of any similar statute or common law or any other jurisdiction that may be, or may be asserted to be, applicable.

47. "Specifically Excluded Claims" means any and all claims asserted on behalf of Class Members related to alleged false statements relating to Vanlev in the action entitled In re Bristol-Myers Squibb Securities Litigation, Civil Action No. 00-1990 (SRC), which is currently pending in the United States District Court for the District of New Jersey.

48. The Judgment will also provide that the Defendants on behalf of themselves and their respective heirs, executors, administrators, successors and assigns and all persons acting in concert with any such person shall each be deemed to have, and by operation of the Judgment shall have fully, finally and forever released, waived, and discharged Plaintiffs of any and all claims which the Defendants may have, or that could have been asserted by the Defendants against any of the Lead Plaintiffs, any of the named plaintiffs in any of the actions consolidated into the Action, or any of their attorneys, which arise out of or relate in any way to the institution, prosecution, to the date of Settlement of the action, or settlement of the action, except claims relating to the enforcement of the Settlement.

HOW WILL THE LAWYERS BE PAID?

49. At the Settlement Fairness Hearing, or at such other time as the Court may direct, Lead Counsel intend to apply for an award of attorneys' fees on behalf of all Plaintiffs' counsel not to exceed 7.5% of the Settlement Fund. In addition, Lead Counsel intends to apply for reimbursement of Litigation Expenses incurred in connection with the lawsuit in an amount not to exceed \$650,000.

50. To date, neither Lead Counsel nor any of Plaintiffs' counsel have received any payment for their services in prosecuting this Action on behalf of the Class, nor have counsel been reimbursed for their out-of-pocket expenses. The fee requested by Lead Counsel would compensate Plaintiffs' counsel for their efforts in achieving the Settlement for the benefit of the Class and for their risk in undertaking this representation on a contingency basis. The fee requested is within the range of fees awarded to plaintiffs' counsel under similar circumstances in litigation of this type. The Court will determine the actual amount of the award.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

51. The Court has preliminarily certified this Action as a class action for purposes of this Settlement only. If you purchased Bristol-Myers Squibb common stock between October 19, 1999 and March 10, 2003, inclusive, and were damaged thereby and you are not excluded by the definition of the Class and do not elect to exclude yourself, then you are a Class Member.

52. As a Class Member, you will be bound by the proposed Settlement provided for in the Stipulation and Agreement of Settlement, in the event it is approved by the Court, as well as by any judgment or determination of the Court affecting the Class. Unless otherwise provided by the Court, any Class Member who fails to submit a Proof of Claim form by January 31, 2005 shall be forever barred from receiving any payments pursuant to the Settlement set forth in the Stipulation and Agreement of Settlement but will, in all other respects, be subject to the provisions of the Stipulation and Agreement of Settlement including the terms of any judgments entered and the releases given.

53. If you wish to remain a Class Member, you may be eligible to share in the proceeds of the Settlement, provided that you submit an acceptable Proof of Claim form. Extra copies of the Proof of Claim form shall be available from the Claims Administrator at the address noted below or may be downloaded from the Claims Administrator's website at www.gardencitygroup.com. The Proof of Claim form must be supported by such documents as are specified in the Proof of Claim form.

54. The Court may disallow or adjust the claim of any Class Member. The Court also may modify the Plan of Allocation without further notice to the Class. Payments pursuant to the Plan of Allocation, as approved by the Court, will be conclusive against all authorized Claimants. No person shall have any claim against any Plaintiffs' counsel or the Claims Administrator or other agent designated by Lead Counsel based on the distributions made substantially in accordance with the Stipulation and Agreement of Settlement, the Settlement, the Plan of Allocation, or further orders of the Court. Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Southern District of New York with respect to his, her or its Proof of Claim form.

QUESTIONS? VISIT WWW.GARDENCITYGROUP.COM

55. As a Class Member you are represented by Lead Plaintiffs and Lead Counsel unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, each counsel must file an appearance on your behalf and must serve copies of such appearance on the attorneys listed in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlement?" below.

56. If you do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section entitled, "What If I Do Not Want to Participate in the Settlement? How Do I Exclude Myself?" below.

57. If you object to the Settlement or any of its terms, the proposed Plan of Allocation, or Lead Counsel's application for attorneys' fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Class, you may present your objections by following the instructions in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlement?" below.

WHAT IF I DO NOT WANT TO PARTICIPATE IN THE SETTLEMENT? HOW DO I EXCLUDE MYSELF?

58. Each Class Member will be bound by all determinations and judgments in this lawsuit concerning the Settlement, whether favorable or unfavorable, unless such person mails, by first class mail, a written request for exclusion from the Class, postmarked no later than October 26, 2004 [fourteen days prior to the Settlement Fairness Hearing], addressed to:

Bristol-Myers Squibb Securities Litigation
c/o The Garden City Group, Inc.
EXCLUSIONS
PO Box 9000 #6252
Merrick, NY 11566-9000

No person may exclude himself, herself or itself from the Class after that date. In order to be valid, each request for exclusion must set forth the name and address of the person or entity requesting exclusion, must state that such person or entity "requests exclusion from the Class in *In re Bristol-Myers Squibb Securities Litigation*, Case No. 02-CV-2251 (LAP)" and must be signed by such person or entity. The following information must also be provided: a daytime telephone number and the date(s), price(s), and number(s) of shares of all purchases and sales of BMS common stock during the Class Period. Requests for exclusion will not be accepted if the requests do not include the required information or if the requests are not made within the time stated above, unless the requests for exclusion are otherwise accepted by the Court.

59. If a Class Member requests to be excluded from the Class, that Class Member will not receive any benefit provided for in the Stipulation and Agreement of Settlement.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?
DO I HAVE TO COME TO THE HEARING?
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

If you do not wish to object to the proposed Settlement, the application for attorneys' fees and reimbursement of Litigation Expenses, and/or the proposed Plan of Allocation, you need not attend the Settlement Fairness Hearing.

60. Any Class Member who does not request exclusion by October 26, 2004, may appear at the Settlement Fairness Hearing and be heard on any of the matters to be considered at the Settlement Fairness Hearing; provided, however, that no such person shall be heard unless his, her or its objection or opposition is made in writing and is filed, together with copies of all other papers and briefs to be submitted to the Court at the Settlement Fairness Hearing, by him, her or it (including proof of all purchases and sales of BMS common stock during the Class Period) with the Clerk's Office at the United States District Court for the Southern District of New York, 500 Pearl Street, New York, New York 10007-1312, on or before October 26, 2004, and is served on the same day by hand or overnight delivery to each of the following:

Co-Lead Counsel for Plaintiffs:

BERMAN DEVALERIO PEASE
TABACCO BURT & PUCILLO
JEFFREY C. BLOCK
LESLIE R. STERN
JULIE A. RICHMOND
One Liberty Square
Boston, MA 02109

BERNSTEIN LITOWITZ
BERGER & GROSSMANN LLP
DANIEL L. BERGER
J. ERIK SANDSTEDT
JOSEPH A. FONTI
1285 Avenue of the Americas
38th Floor
New York, NY 10019

Counsel for the Defendants:

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RICHARD M. STRASSBERG
599 Lexington Avenue
Room 3053
New York, NY 10022

KRAMER, LEXIN NAFTALIS
& FRANKEL LLP
ALAN R. FRIEDMAN
919 Third Avenue
New York, NY 10022

MILLBANK, TWEED, HADLEY
& MCCLOY LLP
SCOTT A. EDELMAN
One Chase Manhattan Plaza
New York, NY 10005

JENKENS & GILCHRIST PARKER
CHAPIN LLP
ELLIOT COHEN
405 Lexington Avenue, 9th Floor
New York, NY 10174

HAFETZ & NECHELES
FREDERICK HAFETZ
500 Fifth Avenue, 29th Floor
New York, NY 10010

61. The filing must demonstrate your membership in the Class including the number of shares of BMS common stock purchased during the Class Period and price(s) paid. Only Class Members who have submitted their position in this manner will be entitled to be heard at the Settlement Fairness Hearing, unless the Court orders otherwise. You may file an objection without having to appear at the Settlement Fairness Hearing. Class Members who approve of the Settlement need not appear at the Settlement Fairness Hearing.

62. While attendance at the Settlement Fairness Hearing is not necessary, persons wishing to be heard orally in opposition to the approval of the Settlement, the proposed Plan of Allocation and/or the request for attorneys' fees and reimbursement of Litigation Expenses are required to indicate in their written objections their intention to appear at the Settlement Fairness Hearing. Persons who intend to object to the Settlement, the proposed Plan of Allocation and/or Lead Counsel's application for an award of attorneys' fees and reimbursement of Litigation Expenses, and desire to present evidence at the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may seek to call to testify and exhibits they may seek to introduce into evidence at the Settlement Fairness Hearing.

63. The Settlement Fairness Hearing may be delayed from time to time by the Court without further written notice to the Class. If you intend to attend the Settlement Fairness Hearing, you should confirm the date and time with Lead Counsel.

Unless otherwise ordered by the Court, any Class Member who does not object in the manner described herein will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the application for attorneys' fees and reimbursement of Litigation Expenses and/or the proposed Plan of Allocation. Class Members do not need to appear at the Settlement Fairness Hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

64. If you purchased BMS common stock during the Class Period for the beneficial interest of a person or organization other than yourself, you are directed (a) to provide the Claims Administrator with lists of the names and last known address of the beneficial owners for whom you have purchased Bristol-Myers Squibb Securities during the Class Period within seven (7) days of receipt of this Notice, or (b) to request additional copies of this Notice and Proof of Claim form within (7) days of receipt of this Notice. If you elect to send this Notice and Proof of Claim to beneficial owners, you are directed to mail this Notice and Proof of Claim within seven (7) days of receipt of the copies of this Notice from the Claims Administrator, and, upon such mailing, you shall send a statement to the Claims Administrator confirming that the mailing was made as directed. You shall be reimbursed from the settlement fund upon receipt by the Claims Administrator of proper documentation for the reasonable expenses of sending the Notices and Proofs of Claim to the beneficial owners. If you choose to follow the first alternative, you must retain the list of names and addresses so that it will be available for use in connection with future notice to the Class. Copies of this Notice may also be obtained from the Claims Administrator or may be downloaded from the Claims Administrator's website at www.gardencitygroup.com.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

65. This Notice contains only a summary of the terms of the proposed Settlement. For a more detailed statement of the matters involved in the Action, you are referred to the papers on file in the Action, including the Stipulation and Agreement of Settlement, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007-1312.

66. All inquiries concerning this Notice or the Proof of Claim form should be directed to:

Bristol-Myers Squibb Securities Litigation
c/o The Garden City Group, Inc.
Claims Administrator
PO Box 9000 #6252
Merrick, NY 11566-9000
Toll free: (800) 326-4150

OR

Daniel L. Berger, Esq.
J. Erik Sandstedt, Esq.
Joseph A. Fonti, Esq.
Bernstein Litowitz Berger & Grossmann LLP
1285 Avenue of the Americas
38th Floor
New York, NY 10019
Toll free: (800) 380-8496

Co-Lead Counsel

OR

Jeffrey C. Block, Esq.
Julie A. Richmond, Esq.
Leslie R. Stern, Esq.
Berman DeValerio Pease Tabacco Burt & Pucillo
One Liberty Square
Boston, MA 02109
Toll free: (800) 516-9926

Co-Lead Counsel

DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF THE COURT REGARDING THIS NOTICE.

Dated: September 3, 2004

By Order of the Court
United States District Court
Southern District of New York

MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN
2006 (SECOND) Regular Session

Bill No. 296 (ec)

Introduced by:

Mark Forbes



AN ACT TO AMEND SECTION 8157 OF ARTICLE 1, CHAPTER 8, TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO PERMITTING LIMITED INVESTMENTS IN COMPANIES LACKING MULTI-YEAR TRACK RECORDS FOR PROFIT AND DIVIDENDS SO AS TO ALLOW THE DEFINED BENEFIT PLAN TO OWN STOCK IN MULTI-SIZED AND GROWTH COMPANIES IN ROUGH PROPORTION TO THE WEIGHT THEY COLLECTIVELY REPRESENT IN THE OVERALL MARKET.

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent** *I Liheslaturan Guahan* finds that
3 legislative action is needed to improve the Government of Guam's ability to
4 meet its obligations to fund the Retirement Fund Defined Benefit Plan. In
5 particular, *I Liheslaturan Guahan* finds that statutory investment limitations
6 should not result in the unintended consequence of encouraging the Fund to
7 increase overall portfolio investment risk to achieve expected returns.
8 Currently, the requirements of Section 8157 of the Defined Benefit Plan statute
9 do not permit the Retirement Fund's investment in companies that do not

1 have a multi-year record of profits and dividends. *I Liheslaturan Guahan* finds
2 that these requirements may limit the Retirement Fund's ability to invest in
3 companies and strategies that could reasonably be expected to produce, on
4 average over time, additional returns net of fees, without increasing
5 investment risk. *I Liheslaturan Guahan* therefore intends to permit investments
6 of Defined Benefit Plan assets in domestic common and capital stock that a
7 prudent man acting in a like capacity and familiar with such matters would
8 use in the investment of a fund with like character and with like aims, and
9 further allowing investment of up to one-half of those investments in
10 companies that may not have a multi-year record of profits and dividends.
11 This amendment to Section 8157 would permit the Retirement Fund to
12 allocate domestic equity assets across the entire stock market, investing in
13 multi-sized and growth companies in rough proportion to the weight they
14 collectively represent in the overall market, provided that at least fifty percent
15 (50%) of the investments at cost under Section 8157 have a multi-year record
16 of profits and dividends.

17 **SECTION 2. Section 8157 of Article 1, Chapter 8, Title 4 of the Guam**
18 **Code Annotated is hereby amended to read as follows:**

19 **§8157. Same; Common Stock.**

20 (a) Common or capital stock of any institution or entity created or
21 existing under the laws of the United States or any state, district,
22 or territory thereof, or of the District of Columbia or of any foreign
23 country; provided that, with respect to at least fifty percent (50%)
24 of the investments at cost under this Section:

25 (i) The issuing institution, entity or a predecessor thereto, has
26 reported a profit in at least four (4) of the five (5) fiscal years next
27 preceding the date of investment or alternatively in at least seven
28 (7) of the ten (10) fiscal years next preceding the date of
29 investment; and

1 (ii) The institution, entity or such predecessor has paid cash
2 dividends on its common or capital stock in at least four (4) of the
3 five (5) years next preceding the date of investment, or
4 alternatively in at least seven (7) of the ten (10) fiscal years next
5 preceding the date of investment; and

6 (iii) Total cash dividends have not exceeded total earning in the
7 five (5) years next preceding the date of investment; and

8 (iv) On the date of investment, the issuer shall not be in default in
9 payment of principal or interest on any of its publicly held bonds
10 or other evidences of indebtedness and any contingent interest,
11 cumulative and noncumulative preferred dividends and
12 dividends on prior common or capital stock shall have been paid
13 in full.

14 No more than Five Percent (5%) of the Fund shall be invested in
15 the common or capital stock of any one issuing domestic company
16 described in this Section.

17 (b) Common or capital stock of any institution or entity created
18 or existing under the laws of nations other than the United States
19 provided that the Investment Agent determines that such an
20 investment would be employed by a prudent man acting in a like
21 capacity and familiar with such matters would use in the
22 investment of a fund with like character and with like aims. No
23 more than One and One-Half Percent (1-1/2%) of the Fund at cost
24 shall be invested in the common or capital stock of any one issuing
25 foreign company described in this Section.

26 (c) No investment shall be made in any one (1) issue described in
27 this Section in an amount in excess of ten percent (10%) of such
28 issues.

1 (d) The aggregate of all investments under this Section shall not
2 exceed fifty percent (50%) of the Fund at cost.

3 **SECTION 3. Effective Date.** The provisions contained within this
4 Chapter shall become effective upon enactment.

5 **SECTION 4. Severability.** If any provision of this Act or its
6 application to any person or circumstances is held invalid, the invalidity shall
7 not affect other provisions or applications of this Act which can be given effect
8 without the invalid provision or application, and to this end the provisions of
9 this Act are severable.

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