

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 03-23044-CIV-MARRA

JOHN BRUHL, KEITH ROTMAN and SCOTT
MALTZ, individually an on behalf of all others
similarly situated,

Plaintiffs,

v.

PRICEWATERHOUSECOOPERS
INTERNATIONAL LIMITED II,
et al.,

Defendants.

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION
AND SETTLEMENT HEARING**

**TO: ALL SECURITIES PURCHASERS AND/OR HOLDERS OF SHARES OF
LANCER OFFSHORE, INC. OR THE OMNIFUND LTD. SUCCESSOR FUND
TO THE ORBITER FUND, LTD. AND THE VIATOR FUND, LTD.
(COLLECTIVELY THE "OFFSHORE FUNDS") DURING THE PERIOD OF
SEPTEMBER 3, 1998 THROUGH AND INCLUDING JULY 8, 2003 (THE
"CLASS"):**

**PLEASE READ THIS NOTICE CAREFULLY.
YOUR RIGHTS MAY BE AFFECTED.**

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.

The Court has directed that this Notice should be given to all members of the Class to inform them of a proposed settlement and their rights. The sending of this Notice is not an expression by the Court or the litigants of any opinion as to the merits of any claim or defense or the likelihood of recovery by the Class Representatives or any of the members of the Class. Notice is being provided so that all members of the Class may make a decision as to what steps, if any, they wish to take. Notice is being sent to you because records indicate that you may be a member of the Class.

1. **Summary Statement of Recovery:** This Notice advises you of a proposed settlement (the “Settlement”) of a consolidated class action lawsuit brought by Keith Rotman and Peter A. Broadhurst, Esq., Executor of the Estate of John Bruhl (collectively, “Class Representatives”), acting on behalf of themselves and the Class (defined below), against defendants Citco Fund Services (Curacao) N.V., The Citco Group Limited, Citco Acceptance Corporation, Citco Fund Services U.S.A., Inc., Inter Caribbean Services Ltd., Kieran Conroy, Declan Quilligan, John M.S. Verhooren, Anthony Stocks, and Maria J. Stocks, Executrix of the Estate of Anthony Stocks (collectively, the “Citco Defendants” or “Settling Defendants”) named above in the case caption (the “Class Action”). The settlement also settles the claims against the Citco Defendants in the following actions: (i) *Court Appointed Receiver of Lancer Offshore, Inc. and The Omnifund, Ltd. v. The Citco Group Limited*, et al., 05-60080-CIV-MARRA, pending in the United States District Court for the Southern District of Florida; (ii) *Court Appointed Receiver of Lancer Offshore, Inc. and The Omnifund, Ltd. v. The Citco Group Limited*, et al., 05-60055-CIV-MARRA, pending in the United States District Court for the Southern District of Florida; and (iii) *Steinberg v. Banque de Patrimoines Prives Geneve*, et al., Claim No. BVIHCV 2009/253, pending in the Eastern Caribbean Supreme Court of the British Virgin Islands (collectively, the “Receiver Actions”). The terms of the Settlement are set forth in a Stipulation and Agreement of Settlement dated July 22, 2011 (the “Stipulation”). The information provided herein is a summary only. The terms of the Stipulation govern the Settlement; the Stipulation is on file with the Court. To the extent there is any conflict between this summary and the Stipulation, the Stipulation controls. The definitions used in the Stipulation are incorporated herein.

The Class Action alleges, among other things, that during the Class Period, the Citco Defendants issued materially false and misleading Net Asset Value Statements (“NAV Statements”), and other statements regarding the Offshore Funds’ financial condition, in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, Rule 10b-5 promulgated thereunder, and various state laws. The Settlement resolves all the remaining claims in the Class Action and those claims that were or could have been asserted against the Citco Defendants in the Receiver Actions.

The Settlement provides for an escrow account in the amount of \$5,000,000 to be funded by the Settling Defendants, which will be distributed pursuant to each Authorized Claimant’s pro rata portion of the alleged damages, measured by the net invested capital method (the “NIC”), as further described below. The fund available for distribution to Class Members will be the \$5,000,000 less notice and administration costs, attorneys’ fees and expenses, and Taxes.

The Class means the Class as defined and certified by the Court on September 30, 2008, specifically all securities purchasers and/or holders of shares of Lancer Offshore, Inc. or the OmniFund Ltd. successor fund to the Orbiter Fund, Ltd. and the Viator Fund, Ltd. (collectively the “Offshore Funds”) during the period of September 3, 1998 through and including July 8, 2003.

Excluded from the Class are the “Excluded Parties”: Defendants; members of the Individual Defendants’ immediate families; the officers and directors of Defendants; the subsidiaries and affiliates of Defendants; any entity in which any Defendant has a controlling interest or which is related to, or affiliated with, any Defendant; those persons

or entities that were recipients of the Group Action settlement; Michael Lauer; any of the Lancer Entities Lancer Management Group, LLC, Offshore, OmniFund, LSPV, Inc., G.H. Associates, LLC, Alpha Omega Group, Inc., CLR Associates, LLC, LSPV, LLC, and Lancer Management Group II, LLC (collectively the “Lancer Entities”) or their former employees; and the legal representatives, heirs, successors-in-interest, or assigns of any such excluded party. Also excluded from the Class are any Class Members who timely and validly request exclusion from the Class in accordance with the requirements set forth in the Notice.

PLEASE NOTE THAT, EXCEPT AS DESCRIBED BELOW, THE SETTLEMENT IS IN ADDITION TO ANY MONIES YOU MAY HAVE RECEIVED OR WILL RECEIVE FROM THE RECEIVER, AS REPRESENTED BY HUNTON & WILLIAMS LLP, IN CONNECTION WITH THE MAIN RECEIVERSHIP ACTION PENDING BEFORE THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA, CAPTIONED: SECURITIES AND EXCHANGE COMMISSION V. MICHAEL LAUER, ET AL., (CASE NO. 03-80612-CIV-MARRA/JOHNSON). IF YOU SUBMITTED A CLAIM IN THE RECEIVERSHIP AND HAD SOME PORTION OF THAT CLAIM ALLOWED, YOU DO NOT NEED TO SUBMIT A CLASS PROOF OF CLAIM NOW AND YOU STILL WILL RECEIVE A DISTRIBUTION FROM THE NET SETTLEMENT FUND IF YOU QUALIFY.

2. **Reasons for Settlement:** The Settlement resolves claims against the Citco Defendants for allegedly violating the federal securities and certain state laws. Specifically, the Third Amended Consolidated Complaint (the “Complaint”) in the Class Action alleges that Citco Defendants disseminated false and misleading financial statements concerning the financial state of the Offshore Funds during the Class Period. However, the Settlement is not and should not be construed as an admission of any fault, liability or wrongdoing by the Citco Defendants. The Citco Defendants deny the allegations made in the Class Action and in the Receiver Actions, and any wrongdoing of any kind. In light of the Settlement Amount and the immediacy of recovery to the Class, the Class Representatives believe that the proposed Settlement is fair, reasonable and adequate and in the best interests of Class Members. Class Counsel believe that the Settlement provides a substantial benefit, namely \$5,000,000 in cash, less the various deductions described in this Notice, as compared to the risk that the Class might obtain a similar or a smaller recovery, or even no recovery, after years of protracted litigation. The obstacles which Class Counsel believes the Class would have faced includes: (i) a number of jurisdictional issues; (ii) issues relating to proof of damages, and (ii) the unlikelihood of any recovery at all from one or more of the Citco Defendants.

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 the Class Representatives were to prevail on the claims asserted against the Released Defendant Parties. The Released Parties deny all liability. In addition, the Parties disagree on, among other things: (i) whether the Citco Defendants disseminated false and misleading statements; (ii) whether the alleged misrepresentations and omissions were material to investors; and (iii) the amount of damage, if any, caused by those alleged misrepresentations and omissions. Defendants challenge, among other things, whether some plaintiffs may have been net-redeemers, and whether the statute of limitations on certain claims barred recovery.

4. **Statement of Attorneys' Fees and Expenses Sought:** Class Counsel intend to apply for an award of attorneys' fees on behalf of all Class Counsel not to exceed 33% of the Settlement Fund. In addition, Class Counsel intend to apply for reimbursement of expenses paid and incurred in connection with the prosecution and resolution of the claims against the Released Persons (the "Expenses"), in an amount not to exceed \$350,000.

5. **Notice and Administrative Expenses:** The Receiver may expend up to \$300,000 from the Settlement Fund to pay the Notice and Administration Expenses actually and reasonably incurred. Such costs and expenses shall include, without limitation, the actual costs of publication, printing and mailing the Notice, reimbursements to nominee owners for forwarding the Notice to their beneficial owners (if any), the fees charged by the Receiver in connection with providing Notice, processing the submitted claims, and making preparations to distribute the Settlement Fund, and the fees, if any, related to the Escrow Account and the investment of the Settlement Fund. In the event that the Settlement does not receive final approval, Class Counsel or the Receiver shall have no obligation to refund to the Settling Defendants costs and expenses actually paid or incurred under this paragraph. After the Effective Date of the Stipulation, without further approval of the Settling Defendants or further order of the Court, Notice and Administration Expenses may be paid as incurred. Additionally, the Receiver may apply to the Court as necessary for reimbursement of fees and costs in its capacity as Claims Administrator, that exceed the \$300,000.00 stated in this paragraph.

6. **Identification of Attorneys' Representatives:** Any questions regarding the Settlement should be directed to Lead Counsel: (1) Mark S. Goldman or Carol Villegas, Labaton Sucharow LLP, 140 Broadway, 34th Floor, New York, NY 10005, 888-219-6877, settlementquestions@labaton.com, www.labaton.com; (2) Adam Moskowitz or Harley S. Tropin, Kozyak Tropin & Throckmorton, P.A., 2525 Ponce De Leon Blvd. 9th Floor, Coral Gables, FL 33134, <http://kttlaw.com/labaton>; or (3) David E. Bane, Esq., as counsel for Marty Steinberg, Esq., The Receiver, Hunton & Williams, LLP, 1111 Brickell Avenue, 25th Floor, Miami, FL 33131.

Why did I get this notice?

7. You or someone in your family may have owned or held shares of the Offshore Funds during the Class Period. You may have submitted a claim to the Receiver or in the proceeding captioned, In re Lancer Partners L.P., No. 03-50492 that was filed in the United States Bankruptcy Court, District of Connecticut, and ultimately transferred to the United States Bankruptcy Court for the Southern District of Florida, Case No. 06-11721-BKC-JKO ("Bankruptcy Proceeding"). You may have filed a claim in the partial settlement in the Class Action against Pricewaterhouse Coopers LLP, et al. ("PwC Settlement"). As a potential Class Member, you have a right to know about the proposed Settlement of the claims against Citco Defendants, and your options. If the Court approves the Settlement, after any objections and/or appeals are resolved, the Receiver will make payments pursuant to the Settlement, which distributions will be in addition to any distributions you may receive or have received from the Receiver or pursuant to proofs of claim submitted in the Bankruptcy Proceeding or the PwC Settlement. However, the Settlement Fund provided by the Settlement will be your sole source of recovery from the Citco Defendants, or any other Released Defendant Parties on account of the Released Claims.

8. This Notice explains the lawsuits, the Settlement, your legal rights, what benefits are available, who is eligible for them, and whether you need to submit a Class Proof of Claim Form. 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 of Class Counsel for attorneys' fees and reimbursement of expenses (the "Settlement Hearing").

9. **The Settlement Hearing.** The Settlement Hearing will be held at **1:00pm on Friday, October 7, 2011** before the Honorable Kenneth A. Marra, in the United States District Court for the Southern District of Florida, 701 Clematis Street, West Palm Beach, FL 33401, to determine:

(a) Whether the proposed Settlement is fair, reasonable, and adequate and should be approved by the Court;

(b) Whether the claims against the Released Defendant Parties should be released and dismissed with prejudice as set forth in the Stipulation;

(c) Whether the method of distributing the Net Settlement Fund is reasonable; and

(d) Whether the application by Class Counsel for an award of attorneys' fees and reimbursement of expenses 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 Class Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payment will be made after all appeals, if any, are resolved, and after the completion of all claims processing. Please be patient.

What recovery does the Settlement provide?

11. The Citco Defendants have agreed to pay \$5,000,000 in cash for the benefit of the Class on July 6, 2011. Administration costs and certain taxes and tax expenses, and any attorneys' fees and expenses awarded by the Court to Class Counsel, and notification costs will be deducted from these settlement proceeds and the balance will be distributed to the Class.

12. The amount of recovery by any particular Class Member will be determined by the amount of a previously Allowed Claim in other related proceedings or the Net Invested Capital method ("NIC"). NIC is calculated by taking the amount of capital contributed by each investor to the Offshore Funds and subtracting any amounts distributed to such investors from each fund at any time. The NIC method has already been approved by the Court by Order dated May 6, 2009 (Class Action D.E. 643).

Who needs to submit a Class Proof of Claim Form?

13. (A) Any Class Member who did not previously submit a proof of claim in the Receivership, Bankruptcy Proceeding or PwC Settlement;

(B) Any Class Member who timely submitted a proof of claim in the Receivership, the Bankruptcy Proceeding, or the PwC Settlement but whose claim was disallowed in its entirety.

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

What payments are the attorneys for the Class seeking?

14. Class Counsel have not received any payment for their services in pursuing claims against the Settling Defendants on behalf of the Class, nor have they been reimbursed for their considerable litigation expenses, throughout almost eight years of litigation against the Settling Defendants. In this type of litigation, it is customary for counsel to be awarded a percentage of the settlement fund recovered, frequently one-third, as its attorneys' fees, and to receive reimbursement of the expenses advanced in the prosecution of the action. At the Settlement Hearing, Class Counsel intend to apply to the Court for an award of attorneys' fees not to exceed 33% of the Settlement Fund in connection with this Settlement. Class Counsel also intend to apply for reimbursement of expenses in an amount not to exceed \$350,000.

15. The fee requested by Class Counsel would partially compensate Class Counsel for its efforts in achieving the Settlement for the benefit of the Class and for its risk in undertaking this representation on a contingency basis, although it will not compensate Class Counsel for the full amount of its time and expenses already incurred. The fee requested, therefore, is less than the range of fees awarded to Class Counsel under similar circumstances in litigation of this type. The Court will determine the actual amount of the award. NEITHER THE COURT NOR CITCO DEFENDANTS HAVE EXPRESSED ANY OPINION ON THE APPLICATION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES.

What is this case about?

16. The Hon. Kenneth A. Marra for the United States District Court for the Southern District of Florida is the presiding judge, and the Action is known as Bruhl, et al. v. PricewaterhouseCoopers Int'l Ltd., et al., Case No. 03-23044-CIV-MARRA. The Class Representatives are Peter A. Broadhurst, Esq. Executor of the Estate of John Bruhl and Keith Rotman, on behalf of themselves and as representatives of a class as described in the Complaint. The remaining defendants are: the Citco Group Limited; Citco Fund Services (Curacao), N.V.; Kieran Conroy; Declan Quilligan; Anthony J. Stocks and John M.S. Verhooren. This Settlement resolves all the remaining claims in the Class Action.

17. The Complaint generally alleges, among other things, that during the Class Period the Citco Defendants intentionally, or in reckless disregard of the true facts, issued materially false and misleading statements to investors in the Offshore Funds regarding the value of the Offshore Funds and their financial condition in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 10b-5 promulgated thereunder, as well as certain state law claims.

What has happened in this case so far?

18. Class Representative Bruhl commenced the initial action captioned, Bruhl v. PricewaterhouseCoopers Int'l Ltd., et al., No. 03-6644 (S.D.N.Y.), in the District Court for the Southern District of New York on September 3, 2003. On December 17, 2003, Judge Charles Haight, Senior United States District Judge for the Southern District of New York, granted Bruhl's motion and ordered the appointment of Bruhl as lead plaintiff of the class. At the same time, Judge Haight also ordered the designation of Bruhl's counsel, Labaton Sucharow LLP ("Labaton Sucharow"), as lead counsel for the Class. Class Representative Rotman filed a class action captioned, Rotman v. PricewaterhouseCoopers Int'l Ltd., et al., No 03-23044 (S.D. Fla.), in the District Court for the Southern District of Florida on November 17, 2003. The Rotman action asserted claims based on the same transactions as Bruhl, against many of the same defendants.

19. Pursuant to a case management order, lead plaintiff Bruhl made a motion to transfer the Bruhl action to the Southern District of Florida, which was granted on or about March 10, 2004 and the action was transferred. On July 16, 2004, the Bruhl action was consolidated with the Rotman action before Judge Kenneth Marra. Pursuant to the case management order, a steering committee for the Lancer related actions was formed.

20. Between October 2004 and February 2005, motions to dismiss the Class Action were filed by all defendants named in the Class Action. On March 31, 2006, the Court issued six orders concerning defendants' motions to dismiss. The Court granted, at least in part, three of the motions with leave to replead, denied one motion pending limited discovery on jurisdictional issues, and denied, outright, one of the motions. On March 27, 2007, the Court denied, in part, the majority of the remaining defendants' renewed motions to dismiss the Third Amended Complaint.

21. On September 30, 2008, the Hon. Kenneth A. Marra for the United States District Court for the Southern District of Florida certified the Class Action to proceed as a class action for purposes of litigation pursuant to Rule 23(a) and Rule 23(b)(3) of the Federal Rules of Civil Procedure. Fact and expert discovery have been completed.

22. In February 2011, Class Representatives and Citco Defendants each filed motions for summary judgment. On April 22, 2011, the Court heard argument on the motions for summary judgment and took the arguments under advisement without ruling on the issues presented.

23. Class Counsel and Settling Defendants' Counsel have reached an agreement to settle the Action on terms that are summarized herein. The Parties, through their counsel, have engaged in substantial arm's-length negotiations in an effort to resolve all claims that have been or could have been asserted in the Action. Class Counsel and Settling Defendants' Counsel have conducted numerous meetings and conferences in which the terms of the Settlement detailed herein were extensively debated and negotiated.

24. The Settling Defendants deny all wrongdoing alleged by Class Representatives, 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 Settling Defendants of any fault or liability on the part of any of them or of any infirmity in any defenses they have asserted or intended to assert. Settling 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 solely in order to avoid further expense, uncertainty and distraction, and protracted litigation.

What are Class Representatives' reasons for the Settlement?

25. Class Counsel and Class Representatives believe that further litigation against Citco Defendants would not have produced a better recovery than the Settlement. Class Representatives and Class Counsel believe that the claims asserted against the Released Persons have merit. However, they recognize the risks of, expense of and delay associated with the continued prosecution of this Class Action. Class Representatives and Class Counsel have taken into account the issues that would have to be decided by the Court and a jury including: (i) whether each of the NAV statements issued by Citco Defendants was materially false and misleading; (ii) whether Citco Defendants acted knowingly or recklessly in making the alleged misrepresentations and omissions or negligently breached their state law duties; (iii) whether the federal securities laws apply to Class Representatives' claims; and (iv) whether a federal court has jurisdiction over Class Representatives' claims.

What might happen if there were no Settlement?

26. If there were no Settlement and Class Representatives failed to establish any essential legal or factual element of their claims against the Settling Defendants, or the Settling Defendants were successful in proving any of their defenses, neither Class Representatives nor the Class would recover anything from them.

How much will my payment be?

27. The Settlement Fund will be distributed as follows:

(a) To pay all federal, state and local taxes on any income earned by the Settlement Fund after its funding 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);

(b) To pay costs and expenses in connection with providing Notice to Class Members and administering the Settlement on behalf of Class Members;

(c) To reimburse Class Counsel, in part, for, and to pay, costs and expenses incurred by Class Counsel in connection with commencing and prosecuting the Action, with interest thereon if, and to the extent such application is approved by the Court;

(d) To pay Class Counsels' fees, to the extent allowed by the Court;

(e) To pay the Receiver for costs and expenses related to administration of the Settlement; and

(f) Subject to the Order by the Court granting approval of the Settlement and its becoming Final, to pay Authorized Claimants, as defined below, their pro rata percentage of damages from the Net Settlement Fund, in accordance with Allowed Claims or the NIC method of determining damages.

28. The Settling Defendants are not entitled to get back any of the settlement consideration once the Class Judgment, the Receivership Judgment, and the dismissal of the Receiver Actions, as against the Citco Defendants, become Final. The Settling Defendants have no liability, obligation or responsibility for the administration of the Settlement Fund.

29. No Class Member shall have any claim based on the settlement of the Class Action or the Receiver Actions or a distribution made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further order(s) of the Court against Class Counsel, Class Representatives or the Receiver.

Who Can Put in a Claim and How Can They Do So?

30. Each person wishing to participate in the Settlement, **WHO DID NOT PREVIOUSLY SUBMIT AN ALLOWED PROOF OF CLAIM IN THE RECEIVERSHIP, IN THE BANKRUPTCY PROCEEDING OR IN THE PWC SETTLEMENT** must timely mail a valid Class Proof of Claim Form (defined below) and all required documentation postmarked no later than **October 21, 2011** to David E. Bane, Esq. as counsel for Marty Steinberg, Esq., the Receiver, who is acting as the “Claims Administrator” of the Settlement. If you previously submitted a claim in the other proceedings and some portion of your claim was allowed, **DO NOT DO SO AGAIN.**

31. If you have **NOT** previously submitted a proof of claim in the Receivership, in the Bankruptcy Proceeding, or as part of the PwC settlement, or your claim was disallowed in its entirety, you must mail a Class Proof of Claim postmarked by **October 21, 2011** in order to be able to participate in the Net Settlement Fund. Any Class Member who has not validly and timely requested to be excluded from the Class and who has not previously submitted a proof of claim and who fails to mail a Class Proof of Claim Form postmarked by **October 21, 2011**, shall be forever barred from receiving payments pursuant to the Net Settlement Fund, but will in all other respects be subject to the provisions of the Stipulation, including the terms of any Class Judgment and Receivership Judgment entered and releases given, as further described below. This means that each Class Member releases the Released Claims (defined below) against the Released Persons (defined below) and is prohibited from filing, prosecuting, or pursuing any of the Released Claims against any of the Released Persons regardless of whether or not such Class Member submits a Class Proof of Claim Form.

32. An “Authorized Claimant” means a Class Member who (1) timely submits a valid Class Proof of Claim and Release form to the Claims Administrator that is accepted as valid either by the Receiver or Order of the Court; or (2) has previously submitted a Proof of Claim in the PwC Settlement, the Receivership, or the Bankruptcy Proceeding arising out of such Class

Member's investment in the Offshore Funds, and all or some portion such claim(s) have been allowed by the Receiver or Order of the Court.

33. The Court has reserved jurisdiction to allow, disallow or adjust on equitable grounds the claim of any Class Member. The Court has also reserved the right to modify the use of the NIC method of determining damages. Payments, as approved by the Court, shall be conclusive against all Authorized Claimants.

How Will My Claim Be Calculated?

34. A "Recognized Claim" equals either: (i) a Claimant's Allowed Claim as already determined by the Receiver in the Receivership, the Bankruptcy, or as part of the PwC Settlement, or (ii) if the Claimant has not already submitted a proof of claim, a claimant's pro rata share of the Net Settlement Fund calculated using the NIC method. Each Authorized Claimant will 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.

35. A payment to any Authorized Claimant of less than \$10 in total will not be included in the calculation and will NOT be distributed and will instead be reallocated to other eligible Authorized Claimants.

36. Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Southern District of Florida with respect to his, her or its proof of claim.

37. Persons or entities that excluded themselves from the Class in response to the Notice of Pendency of Class Action previously disseminated by the Receiver or pursuant to this Notice will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Class Proof of Claim Forms. Group Action Plaintiffs are not part of the Class, are not eligible to receive a distribution from the Net Settlement Fund and should not submit Class Proof of Claim Forms.

What rights am I giving up by agreeing to the Settlement?

38. If the Settlement is approved by the Court in the Main Receivership Action and in the Class Action, the Court will enter a Final Judgment of Dismissal with Prejudice as to the Citco Defendants ("the Class Judgment"). The Class Judgment will: (i) dismiss the claims against Citco Defendants with prejudice; and (ii) provide that Class Representatives and all other Class Members, except those who validly and timely request to be excluded from the Class, shall, upon the Effective Date (as defined in the Stipulation), on behalf of themselves and each of their respective predecessors, successors, parents, subsidiaries, affiliates, custodians, agents, assigns, representatives, heirs, executors, trustees, administrators, and any other person or entity they represent having any legal or beneficial interest in shares of the Funds, be deemed to have fully and forever released, remised, acquitted, and discharged each and every one of the Released Claims against each and every one of the Released Defendant Parties and shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any of the Released Claims against any of the Released Defendant Parties.

39. The Receiver shall within ten (10) calendar days of Class Judgment or Alternative Class Judgment and Receivership Judgment or Alternative Receivership Judgment becoming Final, file a Stipulation of Dismissal with Prejudice of the Receiver Actions in the Southern District of Florida and in the action by the Receiver pending in the BVI (with respect to the Citco Defendants), pursuant to which all Released Claims against the Citco Defendants are to be dismissed with prejudice, with each party to bear its own fees and costs, and the Receiver and Citco Defendants shall submit proposed Orders of Dismissal of the Receiver Actions to the Courts in the respective actions and request entry of same.

40. “Released Claims” means all claims, rights and causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every nature and description, whether known or Unknown (as defined below), whether arising under federal, state, common or foreign law, that Class Representatives or any other Class Member or the Receiver: (i) have asserted in the Litigation, including in the complaints; or (ii) could have asserted in any forum, that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the complaints filed in the Litigation, including the Complaint, and that relate to the purchase of shares of the Offshore Funds; or (iii) related to the Receiver’s administration of the Net Settlement Fund and the Plan of Allocation. “Released Claims” do not include: (i) claims to enforce the Settlement; or (ii) any governmental or regulatory agency’s claims asserted in any criminal or civil action against any of the Settling Defendants; or (iii) the Receiver’s causes of action or litigation against any Defendant other than the Citco Defendants.

41. “Released Defendant Parties” means the Settling Defendants and their current or former trustees, officers, directors, principals, employees, agents, partners, insurers, auditors, heirs, attorneys, representatives, predecessors, successors or assigns, parents, subsidiaries, affiliates, divisions, joint ventures, general or limited partners or partnerships, limited liability companies and any trust of which any Individual Defendant is the settlor or which is for the benefit of their immediate family members.

42. “Unknown Claims” means any and all Released Claims, which the Class Representatives or any other Class Member or the Receiver does not know or suspect to exist in his, her or its favor at the time of the release of the Released Defendant Parties, and any Released Defendants’ Claims that the Settling Defendants or any other Released Defendant Party does not know or suspect to exist in his, her or its favor at the time of the release of the Released Plaintiff Parties, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Released Defendants’ Claims, the Settling Parties stipulate and agree that, upon the Effective Date of the Settlement with respect to the Class Action and entry of the Orders of Dismissal of the Receiver Actions, Class Representatives, the Receiver, and the Settling Defendants shall expressly, and each other Class Member and each other Released Defendant Party shall be deemed to have, and by operation of the Class Judgment or Alternative Class Judgment and Receivership Judgment or Alternative Receivership Judgment shall have, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

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

Class Representatives, the other Class Members, the Receiver, the Settling Defendants or the other Released Defendant Parties may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants' Claims, but Class Representatives, the Receiver and the Settling Defendants shall expressly, fully, finally and forever settle and release, and each other Class Member and each other Released Defendant Party shall be deemed to have settled and released, and upon the Effective Date and by operation of the Class Judgment or Alternative Class Judgment and Receivership Judgment or Alternative Receivership Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Defendants' Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts. Class Representatives, the Receiver, and the Settling Defendants acknowledge, and other Class Members and each other Released Defendant Party by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was a key element of the Settlement.

43. The Class Judgment will also provide that Citco Defendants and each of their respective Released Defendant Parties, on behalf of themselves and each of their respective heirs, executors, trustees, administrators, predecessors, successors and assigns by operation of the Class Judgment or Alternative Class Judgment, shall be deemed to have fully, finally and forever waived, released, discharged and dismissed each and every one of the Released Defendants' Claims, as against each and every one of the Released Plaintiff Parties and shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any of the Released Defendants' Claims against any of the Released Plaintiff Parties.

How do I participate in the Settlement? What do I need to do?
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44. If you have **NOT** already submitted a proof of claim to the Receiver in the Receivership, or the Bankruptcy Proceeding, or as part of the PwC Settlement, and had some or all of your claim allowed, **YOU MUST MAIL A CLASS PROOF OF CLAIM** with the appropriate documentation supporting your purchases and sales of the Offshore Funds so that it is postmarked no later than **October 21, 2011**, to: David E. Bane, Esq., as counsel for Marty Steinberg, Esq., Receiver, Hunton & Williams LLP, 1111 Brickell Avenue Suite 2500, Miami, Florida 33131. Any Class Member who fails to submit a Class Proof of Claim Form by **October 21, 2011** who has not already submitted a proof of claim the Receivership or in the Bankruptcy Proceeding, or as part of the PwC Settlement, shall be forever barred from receiving any 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 judgments entered and the releases given.

45. The Court may disallow or adjust the claim of any Class Member. The Court also may modify the method for determining distribution without further notice to the Class. Payments, as approved by the Court, will be conclusive against all Authorized Claimants. No person shall have any claim against any Class Representative, Class Counsel, the Receiver or other agent designated by Class Counsel or the Receiver based on the distributions made substantially in accordance with the Stipulation 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 Florida with respect to his, her or its proof of claim.

46. As a Class Member you are represented by Class Representatives and Class 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, such counsel must file a notice of 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.

47. If you object to the Settlement or any of its terms, the method of calculating distribution, or the application for attorneys’ fees and reimbursement of expenses (and you do not exclude yourself or opt out of the Class), you may present your objection 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?

48. 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 or received no later than fourteen (14) calendar days prior to the Settlement Hearing, addressed to: (1) Mark S. Goldman or Carol Villegas, Labaton Sucharow LLP, 140 Broadway, 34th Floor, New York, NY 10005; (2) Adam Moskowitz or Harley S. Tropin, Kozyak Tropin & Throckmorton, P.A., 2525 Ponce De Leon Blvd. 9th Floor, Coral Gables, FL 33134; and (3) Lewis N. Brown, Esq., or Dyanne E. Feinberg, Esq., Brown & Heller, P.A., One Biscayne Tower, 15th Floor, Two South Biscayne Blvd., Miami, FL 33131. No person may exclude himself, herself or itself from the Class after that date. If you already timely and validly requested exclusion from the Class in response to the Notice of Pendency of Class Action previously disseminated by the Receiver, you have been excluded and are no longer a Class Member. You do not need to request exclusion again.

49. 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 Settlement in JOHN BRUHL, et al., Case No. 03-23044-CIV-MARRA” 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 the Offshore Funds 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.

50. If a Class Member requests to be excluded from the Class or have previously requested exclusion, 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?

YOU DO NOT NEED TO ATTEND THE SETTLEMENT HEARING.

51. Any Class Member who does not timely request exclusion, such that the requests are postmarked or received no later than fourteen (14) calendar days prior to the Settlement Hearing, may appear at the Settlement Hearing and be heard on any of the matters to be considered at the Settlement Hearing. If you request to be excluded from the Class, you cannot object to the Settlement or matters related to the Settlement. No Class Member shall be heard at the hearing 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 Hearing, by him, her or it (including proof of all purchases and sales of the Offshore Funds' shares during the Class Period) with the Clerk's Office at the United States District Court for the Southern District of Florida, 701 Clematis Street, West Palm Beach, FL 33401, on or before fourteen (14) calendar days prior to the Settlement Hearing, and is served on the same day by hand or overnight delivery to each of the following:

Mark S. Goldman
Carol Villegas
Labaton Sucharow LLP
140 Broadway, 34th Floor
New York, NY 10005

Harley S. Tropin
Adam Moskowitz
Kozyak Tropin & Throckmorton, P.A.
2525 Ponce De Leon Blvd.
9th Floor
Coral Gables, FL 33134
Counsel for the Class

David E. Bane, Esq.
Hunton & Williams LLP
1111 Brickell Avenue
25th Floor
Miami, FL 33131

Counsel for Marty Steinberg, Receiver

Lewis N. Brown, Esq.
Dyanne E. Feinberg, Esq.

Brown & Heller, P.A.
One Biscayne Tower,
15th Floor
Two South Biscayne Blvd.
Miami, FL 33131

Counsel for the Citco Defendants

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

53. While attendance at the Settlement 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 Hearing. Persons who intend to object to the Settlement, the method of distribution and/or the application for an award of attorneys' fees and reimbursement of expenses, and desire to present evidence at the Settlement 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 hearing.

54. The Settlement 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 Hearing, you should confirm the date and time with Class Counsel.

What if I bought and/or held shares on someone else's behalf?
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55. If you purchased and/or held shares of the Offshore Funds during the Class Period for the beneficial interest of a person or organization other than yourself, you are directed: (a) to provide the Receiver with lists of the names and last known addresses of the beneficial owners for whom you have purchased shares of the Offshore Funds during the Class Period within seven (7) days of receipt of this Notice; or (b) to request additional copies of this Notice and Class Proof of Claim form within seven (7) days of receipt of this Notice. If you elect to send this Notice and Class Proof of Claim to beneficial owners, you are directed to mail them within seven (7) days of receipt of the copies of this Notice from the Receiver, and within seven (7) days of such mailing, you shall send a statement to the Receiver confirming that the mailing was made as directed. Provided your submission to the Receiver is timely, you shall be reimbursed from the Settlement Fund upon receipt by the Receiver of proper documentation for the reasonable expenses of sending the Notices and Class 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 Receiver or may be downloaded from Class Counsel's website at www.labaton.com or <http://kttlaw.com/labaton>.

Can I see the Court file? Whom should I contact if I have questions?

56. All inquiries concerning this Notice or the Class Proof of Claim Form or any questions regarding the Settlement should be directed to Class Counsel:

Mark S. Goldman
Carol Villegas
Labaton Sucharow LLP
140 Broadway, 34th Floor
New York, NY 10005
(888) 219-6877
settlementquestions@labaton.com
www.labaton.com

-or-

Harley S. Tropin
Adam Moskowitz
Kozyak Tropin & Throckmorton, P.A.
2525 Ponce De Leon Blvd.
9th Floor
Coral Gables, FL 33134
<http://kttlaw.com/labaton>

PLEASE DO NOT CONTACT THE COURT.

DATED: July 28, 2011

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