

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
Case No. 03-23044-CIV-MARRA

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

Plaintiffs,

vs.

PRICEWATERHOUSECOOPERS  
INTERNATIONAL LIMITED,  
PRICEWATERHOUSECOOPERS  
(NETHERLANDS ANTILLES), THE CITCO  
GROUP LIMITED, CITCO FUND SERVICES  
(CURACAO), N.V., KIERAN CONROY,  
DECLAN QUILLIGAN, ANTHONY J. STOCKS,  
JOHN M.S. VERHOOREN, JOHN W. BENDALL, JR.,  
RICHARD GEIST, INTERNATIONAL FUND  
SERVICES (IRELAND) LIMITED, BANC OF  
AMERICA SECURITIES, LLC, GOLDSTEIN  
GOLUB KESSLER LLP, and AMERICAN  
EXPRESS TAX AND BUSINESS SERVICES,

Defendants.

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**NOTICE OF PENDENCY AND PROPOSED  
PARTIAL SETTLEMENT OF CLASS ACTION**

**TO: ALL PERSONS OR ENTITIES WHO PURCHASED OR HELD SHARES AND/OR  
INTERESTS IN LANCER OFFSHORE, INC. ("OFFSHORE") AND/OR THE  
OMNIFUND, LTD. ("OMNIFUND"), DURING THE PERIOD FROM  
SEPTEMBER 3, 1998 THROUGH JULY 8, 2003, INCLUSIVE ("THE CLASS  
PERIOD"):**

**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 partial 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 Settlement  
Class to inform them of this lawsuit 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 plaintiffs or any of the members of the**

**Settlement Class.** Notice is being provided so that all members of the Settlement Class may make a decision as to what steps, if any, they wish to take as this matter proceeds. Notice is being sent to you because records indicate that you may be a member of the Settlement Class.

1. **Summary Statement of Recovery:** This Notice advises you of a proposed partial settlement (the "Settlement") of a consolidated class action lawsuit brought by Co-Lead Plaintiffs, John Bruhl, Keith Rotman and Scott Maltz (collectively, "Co-Lead Plaintiffs"), acting on behalf of themselves and the Settlement Class (defined below), against defendant PricewaterhouseCoopers (Netherlands Antilles) ("PwC NA"), PricewaterhouseCoopers International Limited ("PwC IL,"), and those defendants named above in the case caption (the "Action"). The terms of the Settlement are set forth in a Stipulation and Agreement of Settlement dated July 12, 2007 (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 Action alleges, among other things, that during the Class Period, defendants issued materially false and misleading press releases, Net Asset Value Statements ("NAV Statements"), and other statements regarding Offshore and/or OmniFund's 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 only those claims which were or could have been asserted against PwC NA, PwC IL, and individuals named as defendants in the Receiver Action (defined below), Andre Steffen, Gino Nivillac and Liliana Garcia (the "Individual Defendants"). PwC NA, PwC IL and the Individual Defendants collectively are referred to as the "Settling Defendants."

The Settlement provides for a fund of \$6,000,000 to be funded by both PwC NA and PwC IL, which will be distributed pursuant to each Authorized Claimant's (defined at ¶32) pro rata portion of the damages, measured by the net invested capital method (the "NIC"), as further described below. The fund available for distribution to Settlement Class Members will be the \$6,000,000 less notice and administration costs, **a negotiated hold-back to address potential ongoing exposure to class members who request exclusion or to equalize the recovery of plaintiffs in the Group Action (defined below) ("Group Action Plaintiffs") so that their share is equal to that of Settlement Class Members**, attorneys' fees and litigation expenses awarded to counsel for Co-Lead Plaintiffs ("Co-Lead Counsel"), certain Tax and Tax Expenses (defined below), and any attorneys' fees incurred by PwC NA or PwC IL in connection with these litigations from January 1, 2006 through and including the date the Settlement is funded (the "Net Settlement Fund").

**The proposed Settlement Class consists of all persons or entities that purchased or held shares and/or interests in Offshore and/or OmniFund (herein the "Funds") during the Class Period and were damaged thereby (the "Settlement Class"). OmniFund refers to and includes both The Orbiter Fund, Ltd. and The Viator Fund Ltd.**

Excluded from the Settlement Class are: (1) defendants named in the Action, defendants in the action styled Court-Appointed Receiver of Lancer Offshore, Inc. and The OmniFund, Ltd. v. PricewaterhouseCoopers, N.A., et al., Case No. 04-23023-CIV-MARRA, pending in the United States District Court for the Southern District of Florida (the "Receiver Action"), and

defendants in the Group Action (defined below); (2) the Released Persons (defined below); (3) any putative Settlement Class member who excludes himself from the Settlement Class by filing a timely request for exclusion in accordance with the requirements stated in this Notice; (4) those persons or entities that have been or will be identified as recipients of settlement distributions in the action captioned The Pension Committee of the University of Montreal Plan, et al. v. Banc of America Securities LLC, 05-CV9016 SAS, pending in the United States District Court for the Southern District of New York (the "Group Action"); (5) Michael Lauer; and (6) any of 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 (the "Lancer Entities") or their former employees.

**PLEASE NOTE THAT, EXCEPT AS DESCRIBED BELOW, THE SETTLEMENT SUPPLEMENTS AND IS IN ADDITION TO ANY MONIES YOU MAY HAVE RECEIVED OR WILL RECEIVE FROM THE COURT APPOINTED RECEIVER , MARTY STEINBERG, ESQ. (THE "RECEIVER"), AS REPRESENTED BY HUNTON & WILLIAMS LLP, IN CONNECTION WITH THE ACTION SEC V. LAUER, ET AL., 03 CV 80612 (S.D. FLA.) (THE "SEC ACTION"). IF YOU SUBMITTED A CLAIM IN THE SEC ACTION ON OR BEFORE APRIL 1, 2004 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 THEREFOR.**

2. **Reasons for Partial Settlement:** The Settlement resolves claims against PwC NA and PwC IL for allegedly violating the federal securities and certain state laws. Specifically, the Third Amended Consolidated Complaint (the "Complaint") alleges that PwC NA and PwC IL disseminated false and misleading financial statements concerning the financial state of Offshore and OmniFund during the Class Period. However, the Settlement is not and should not be construed as an admission of any fault, liability or wrongdoing by either PwC NA or PwC IL or any other defendant. PwC NA and PwC IL deny the allegations of the Complaint against them and any wrongdoing of any kind. In light of the Settlement Amount and the immediacy of recovery to the Settlement Class, the Class Plaintiffs believe that the proposed Settlement is fair, reasonable and adequate and in the best interests of Settlement Class Members. Co-Lead Counsel believe that the Settlement provides a substantial benefit, namely \$6,000,000 in cash, less the various deductions described in this Notice, as compared to the risk that the Settlement Class might obtain a similar or a smaller recovery, or even no recovery, after years of protracted litigation. The obstacles which Co-Lead Counsel believes the Settlement Class would have faced includes: (i) the limited finances of PwC NA, the entity which performed the audits in issue; (ii) a number of jurisdictional issues; (iii) the limited availability of discovery in the Netherlands Antilles; and (iv) the unlikelihood of any recovery at all from PwC IL. Further, because the bulk of the Settlement Fund is coming from a limited insurance policy, it is likely that further litigation and the related additional attorneys' fees would serve only to reduce the ultimate recovery available to the Settlement Class.

3. **Statement of Average Amount of Damages Per Share:** PwC NA and PwC IL and Co-Lead Plaintiffs (the "Parties") do not agree on the average amount of damages per share that would be recoverable if the Co-Lead Plaintiffs were to prevail on the claims asserted against the Released Persons (defined below). The Released Persons deny all liability. In addition, the Parties disagree on, among other things: (i) whether PwC NA and PwC IL 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.

4. **Statement of Attorneys' Fees and Expenses Sought:** Co-Lead Counsel intend to apply for an award of attorneys' fees on behalf of all plaintiffs' counsel not to exceed 20% of the Settlement Fund. In addition, Co-Lead Counsel intend to apply for reimbursement of litigation expenses paid and incurred in connection with the prosecution and resolution of the claims against the Released Persons (the "Litigation Expenses"), in an amount not to exceed 20% of the Settlement Fund.

5. **Identification of Attorneys' Representatives:** Any questions regarding the Settlement should be directed to Co-Lead Counsel: (1) Joel H. Bernstein or Nicole M. Zeiss, Labaton Sucharow LLP, 140 Broadway, 34<sup>th</sup> Floor, New York, NY 10005; (2) David M. Buckner or Harley S. Tropin, Kozyak Tropin & Throckmorton, P.A., 2525 Ponce De Leon Blvd. 9th Floor, Coral Gables, FL 33134; or (3) Craig Rasile, Esq., as counsel for Marty Steinberg, Esq., The Receiver, Hunton & Williams, LLP, 1111 Brickell Avenue, 25<sup>th</sup> Floor, Miami, FL 33131.

<b>Why did I get this notice?</b>
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6. You or someone in your family may have owned or held shares of Offshore or OmniFund during the Class Period or you may have been an investor in Lancer Partners L.P. ("Partners"). 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"). As a potential Settlement Class Member, you have a right to know about the proposed Settlement of the claims against PwC IL and PwC NA, and your options. If the Court approves the Settlement, after objections and 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. However, the Settlement Fund provided by the Settlement will be your sole source of recovery from PwC NA, PwC IL, or any other Released Person on account of the Released Claims. Settlement Class Members will be deemed to have assigned to the Carrier providing the insurance which is funding the Settlement Fund any distribution that may be paid as a result of any additional recovery obtained by the Receiver against a Released Person (defined below). It is not anticipated that there will be any such additional recovery.

7. This Notice explains the lawsuit, the partial 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 partial 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 Co-Lead Counsel for attorneys' fees and reimbursement of litigation expenses (the "Settlement Fairness Hearing").

8. **The Settlement Fairness Hearing.** The Settlement Fairness Hearing will be held at 1:00 p.m. on **December 19, 2008** 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 Persons 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 Co-Lead Counsel for an award of attorneys' fees and reimbursement of litigation expenses should be approved.

9. 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, payment will be made after all appeals, if any, are resolved, and after the completion of all claims processing. Please be patient.

<b>What recovery does the Settlement provide?</b>
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10. **Cash Component:** PwC NA and PwC IL have agreed to pay \$6,000,000 in cash to the Receiver for the benefit of the Settlement Class within ten business days after the date on which the Settlement becomes Effective, less **a negotiated hold-back to address potential ongoing exposure to class members who request exclusion from the Settlement Class or to equalize the Group Action Plaintiffs' recovery so that their share is equal to that of Settlement Class Members**, and less any attorneys' fees incurred by PwC NA or PwC IL in connection with these litigations from January 1, 2006 through and including the funding date. Administration costs and certain Taxes and Tax Expenses, and any attorneys' fees and litigation expenses awarded by the Court to Co-Lead Counsel, and notification costs will be deducted from these settlement proceeds and the balance will be distributed to the Settlement Class.

11. The amount of recovery by any particular Settlement Class Member will be determined by the Net Invested Capital method. NIC is calculated by taking the amount of capital contributed by each investor to Offshore and/or OmniFund 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 September 30, 2005.

<b>Who needs to submit a Class Proof of Claim Form?</b>
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12. (1) Any Settlement Class Member who did not previously submit a proof of claim to the Receiver or in the Bankruptcy Proceeding; or

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

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

**What payments are the attorneys for the Class seeking?**

13. Co-Lead Counsel have not received any payment for their services in pursuing claims against any of the defendants on behalf of the Settlement Class, nor have they been reimbursed for their considerable out-of-pocket expenses, throughout almost five years of litigation. 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 Fairness Hearing, Co-Lead Counsel intend to apply to the Court for an award of attorneys' fees not to exceed 20% of the Settlement Fund in connection with this Settlement. Co-Lead Counsel also intend to apply for reimbursement of Litigation Expenses in an amount not to exceed 20% of the Settlement Fund.

14. The fee requested by Co-Lead Counsel would partially compensate counsel for its efforts in achieving the Settlement for the benefit of the Settlement Class and for its risk in undertaking this representation on a contingency basis, although it will not compensate Co-Lead Counsel for the full amount of its time and expenses already incurred and to be incurred in the further prosecution of the Action. The fee requested, therefore, is less than 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. NEITHER THE COURT NOR PWC NA OR PWC IL HAVE EXPRESSED ANY OPINION ON THE APPLICATION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES.

**What is this case about?**

15. 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 Co-Lead Plaintiffs are John Bruhl, Keith Rotman and Scott Maltz, on behalf of themselves and as representatives of a class as described in the Complaint. The entities and people who have been sued are: PwC IL; PwC NA; the Citco Group Limited; Citco Fund Services (Curacao), N.V.; Kieran Conroy; Declan Quilligan; Anthony J. Stocks; John M.S. Verhooren; John W. Bendall, Jr.; Richard Geist; International Fund Services (Ireland) Limited; Banc of America Securities, LLC; Goldstein Golub Kessler LLP; and American Express Tax and Business Services. This Settlement resolves claims solely against PwC NA and PwC IL. Co-Lead Counsel and Co-Lead Plaintiffs will continue to prosecute the Action against the remaining defendants.

16. The Complaint generally alleges, among other things, that during the Class Period the defendants intentionally, or in reckless disregard of the true facts, issued materially false and misleading statements to investors in the Funds and in Partners regarding the value of the Funds and Partners and the Funds' and Partners' 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 state common law prohibiting fraud, breach of fiduciary duty, aiding and abetting fraud and breach of fiduciary duty, negligence, negligent misrepresentation, and professional malpractice. Specifically, PwC NA and PwC IL are alleged to have issued false and misleading audit opinions and audited financials to investors in the Funds in violation of Sections 10(b) and 20(a) of the Exchange Act and to have committed common law fraud and aided and abetted common law fraud. PwC NA and PwC IL are also alleged to have aided and abetted breaches of fiduciary duties owed to investors in the Funds, to

have made negligent misrepresentations to investors in the Funds and to have committed professional malpractice by the manner in which they audited the Funds.

17. The Action was brought on behalf of a class of all securities purchasers and/or holders of shares of the Funds and Partners. However, Co-Lead Plaintiffs, individually and as class representatives, have acknowledged that the securities purchasers and/or holders of shares in Partners have no legally cognizable claims in the Action arising from their investment in Partners against PwC NA and PwC IL because those defendants had no involvement in the audits of Partners at issue in the Action. Accordingly, insofar as the Complaint asserts claims by securities purchasers and/or holders of shares of Partners against PwC NA and PwC IL, those claims will be severed and dismissed with prejudice in the Judgment to be entered in the Action upon the approval of the Settlement.

<b>What has happened in this case so far?</b>
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18. Co-Lead Plaintiff 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. Co-Lead Plaintiff 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 issued in the SEC Action, Lead Plaintiff Bruhl made a motion to transfer the Bruhl action to the Southern District of Florida, which was granted by Judge Haight 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 and included attorneys for the Receiver, the Class and the Group Action Plaintiffs.

20. Between October 2004 and February 2005, motions to dismiss the Action were filed by all defendants named in the Action. Additionally, PwC NA moved to transfer the Action back to the Southern District of New York. Defendants made almost identical motions in the Group Action. On March 31, 2006, the Court issued six orders concerning defendants' motions to dismiss and transfer. 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. The motions filed by PwC NA and PwC IL were withdrawn without prejudice to their renewal, pending this Settlement. On March 27, 2007, the Court denied, in part, the majority of the remaining defendants' renewed motions to dismiss the Third Amended Complaint and the Action is continuing to be litigated.

21. Co-Lead 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 Plaintiffs' 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.

22. On September 30, 2008, the Hon. Kenneth A. Marra for the United States District Court for the Southern District of Florida certified the 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.

23. The Settling Defendants deny all wrongdoing alleged by Co-Lead 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 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.

<b>What are Co-Lead Plaintiffs' reasons for the Settlement?</b>
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24. Co-Lead Counsel and Co-Lead Plaintiffs believe that further litigation against PwC NA and PwC IL would not have produced a better recovery than the Settlement. Before executing the Stipulation of Settlement, Co-Lead Plaintiffs conducted confirmatory discovery, and that discovery, plus investigations conducted by the Receiver and counsel for the Group Action Plaintiffs, confirmed that: (1) the audits of the Funds were performed exclusively by PwC NA, and no other PwC Member Network or Connected Firm other than PricewaterhouseCoopers LLP (a Delaware limited liability partnership ("PwC US")), participated in the performance of, or provided any audit evidence for, any audit engagement of the Funds; (2) PwC IL appears to have had no involvement in the audits at issue, and thus it was unlikely that the Receiver's and Co-Lead Plaintiffs' further prosecution of their respective actions against PwC IL would have resulted in a greater recovery against that entity; (3) PwC US, an entity with significant financial wherewithal and a Released Person, appears to have had minimal involvement in, and therefore would have minimal or no liability for, the audits in issue; and (4) PwC NA, the entity which performed the audits in issue, had limited finances, insurance and assets with which to satisfy a judgment that might have been entered against it, and in any event is contributing more than the entirety of its insurance coverage to the Settlement.

25. Co-Lead Plaintiffs and Co-Lead 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 Action. Co-Lead Plaintiffs and Co-Lead Counsel have taken into account the issues that would have to be decided by a jury including: (i) whether each of the financial statements audited by PwC NA were materially false and misleading; and (ii) whether PwC NA and PwC IL acted knowingly or recklessly in making the alleged misrepresentations and omissions or negligently breached their state law duties. The Group Action Plaintiffs and the Receiver also have agreed to the Settlement.



**What might happen if there were no Settlement?**

26. If there were no Settlement and Class Plaintiffs failed to establish any essential legal or factual element of their claims against PwC NA and/or PwC IL, or PwC NA and/or PwC IL were successful in proving any of their defenses, neither Co-Lead Plaintiffs nor the Settlement 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 Settlement Class Members and administering the Settlement on behalf of Settlement Class Members;

(c) To reimburse Co-Lead Counsel, in part, for, and to pay, costs and expenses incurred by Co-Lead 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 Co-Lead Counsels' fees, to the extent allowed by the Court;

(e) A portion of the Settlement Fund may be paid to the Group Action Plaintiffs to ensure that the investors in the Funds participating in this Settlement through the Group Action receive the same amount as members of the Settlement Class (before attorneys' fees and expenses) on an NIC basis; further, PwC NA and PwC IL are permitted to hold back a negotiated portion of the Settlement Fund for use in resolving any claims asserted by any investor who is not a Group Action Plaintiff and who opts out 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 the NIC method of determining damages.

28. The Settling Defendants are not entitled to get back any of the settlement consideration once the Judgment becomes Final. The Settling Defendants have no liability, obligation or responsibility for the administration of the Settlement Fund.

**29. IF YOU ARE AN INVESTOR IN PARTNERS ALONE AND NOT IN THE FUNDS, YOU WILL NOT RECEIVE ANY DISTRIBUTION FROM THE NET SETTLEMENT FUND BECAUSE YOU HAVE NO LEGALLY COGNIZABLE CLAIM AGAINST PWC NA OR PWC IL. YOUR CLAIMS ARE CONTINUING AGAINST THE DEFENDANTS WHO PROVIDED PROFESSIONAL SERVICES TO PARTNERS.**

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

30. Each person wishing to participate in the distribution, **WHO DID NOT PREVIOUSLY SUBMIT AN ALLOWED PROOF OF CLAIM TO THE RECEIVER BY APRIL 1, 2004 OR IN THE BANKRUPTCY PROCEEDING** must timely mail a valid Class Proof of Claim Form (defined below) and all required documentation postmarked no later than **January 20, 2009** to Craig Rasile, 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 to the Receiver or in the Bankruptcy Proceeding and some portion of your claim was allowed, **DO NOT DO SO AGAIN.**

31. If you have **NOT** previously submitted a proof of claim to the Receiver or in the Bankruptcy Proceeding, or your claim was disallowed in its entirety, you must mail a Class Proof of Claim postmarked by **January 20, 2009** in order to be able to participate in the Net Settlement Fund. Any Settlement Class Member who has not validly and timely requested to be excluded from the Settlement and who has not previously submitted a proof of claim and who fails to mail a Class Proof of Claim Form postmarked by **January 20, 2009**, 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 Judgment entered and releases given, as further described below. This means that each Settlement 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 Settlement Class Member submits a Class Proof of Claim Form.

32. An “Authorized Claimant” means a Settlement Class Member who: (i) submits a timely and valid Class Proof of Claim Form, in the form appended hereto (the “Class Proof of Claim Form”); or (ii) has previously submitted a proof of claim to the Receiver or in the Bankruptcy Proceeding and has had some portion of that claim allowed.

33. The Court has reserved jurisdiction to allow, disallow or adjust on equitable grounds the claim of any Settlement 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. No person shall have any claim against Co-Lead Counsel, the Receiver or other agent designated by Co-Lead Counsel based on the distributions made substantially in accordance with the Stipulation and the Settlement, plan of allocation, or Court orders.

### **How Will My Claim Be Calculated?**

34. A “Recognized Claim” equals either: (i) a Claimant’s claim as already determined by the Receiver or in the Bankruptcy Proceeding, or (ii) if the Claimant has not already submitted a proof of claim, a claimant’s pro rata share calculated under NIC method and then distributed pro rata. 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 which exclude themselves from the Settlement Class will not be 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, the Court will enter a Final Judgment (“the Judgment”). The Judgment will: (i) dismiss the claims against PwC NA and PwC IL with prejudice; and (ii) provide that Co-Lead Plaintiffs and all other Settlement Class Members, except those who validly and timely request to be excluded from the Settlement 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 (collectively “Releasors”), by operation of the Judgment, shall be deemed to fully, finally and unconditionally release and forever discharge the Released Persons from and with respect to the Released Claims, 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 Released Claims either directly, indirectly, representatively, derivatively or in any other capacity, against any of the Released Persons.

39. “Released Claims” means all claims, demands, rights, duties, remedies, liabilities and causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, whether based on federal, state, local, statutory or common law or any other law, rule or regulation of any jurisdiction, that have been or could have been asserted by Co-Lead Plaintiffs or Settlement Class Members, whether in their own name or indirectly through the Receiver or any other person, in the Action, the Group Action, the Receiver Action or in any other action, whether directly, indirectly, representatively or in any other capacity, against the Released Persons arising out of or in any way related to professional services rendered by the Released Persons for the Lancer Entities. The release of Released Claims by the Releasors shall be a waiver and relinquishment, to the fullest extent permitted by law, of all provisions, laws and rules limiting relinquishment of unknown or unsuspected claims, including the provisions, rights and benefits of Section 1542 of the California Civil Code, 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”

and any and all provisions, rights and benefits of any similar statute or common law rule of any other jurisdiction. The PwC Member Network or Connected Firms are express third-party beneficiaries of the release.

40. "Released Persons" means PwC NA, PwC IL, and all other firms that participate in the network of firms connected through membership or otherwise in PwC IL (the "PwC Member Network or Connected Firms") and each of their current and former partners, principals, directors, officers, employees, agents, representatives, or others acting on their behalf, including, but not limited to, the Individual Defendants.

41. The Judgment will also provide that PwC NA, PwC IL and the Individual Defendants shall have fully, finally and forever waived, released and discharged Co-Lead Plaintiffs and Settlement Class Members and each of their current and former partners, principals, employees, agents, representatives, attorneys, accountants, consultants or others acting on their behalf (collectively referred to as "Released Plaintiffs"), from all claims, demands, rights, duties, remedies, liabilities and causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, whether based on federal, state, local, statutory or common law or any other law, rule or regulation of any jurisdiction, that have been or could have been asserted in the Action by PwC NA, PwC IL and the Individual Defendants whether directly, indirectly, representatively or in any other capacity, against the Released Plaintiffs, arising out of or in any way related to professional services rendered by PwC NA and the Individual Defendants to the Lancer Entities, or which arise out of or relate in any way to the institution, prosecution or settlement of the Action.

42. The Judgment will also provide:

A. (i) Each Non-Settling Defendant is permanently barred from bringing any claim against the Settling Defendants, or persons who acted on their behalf, where the liability of the Settling Defendant arises out of or reasonably flows from the claims or allegations in any of The Lancer Actions, whether arising under state, federal or foreign law as claims, cross-claims, counterclaims, or third-party claims, in this or any other court, or in any arbitration proceeding, administrative agency proceeding, or other forum and (1) the injury to the Non-Settling Defendant is its liability to Any Plaintiff, or (2) the Non-Settling Defendant's damages are measured by its liability to Any Plaintiff.

(ii) The Settling Defendants, and any persons acting on their behalf, are permanently barred from bringing any claim against any Non-Settling Defendant (1) where the injury to the Settling Defendant is its liability to Any Plaintiff, or (2) where the Settling Defendant's damages are measured by its liability to Any Plaintiff.

(iii) Any final verdict or judgment that may be obtained by Co-Lead Plaintiffs, or the class alleged in this Action or any member thereof against one or more Non-Settling Defendants shall be reduced by the greater of (1) the dollar value equal to the percentage of responsibility of the Released Persons multiplied by the damages awarded to the Co-Lead Plaintiffs, or to the class alleged in this Action or any member thereof; or (2) the Settlement Amount. (iv) For purposes of these provisions: (1) "Non-Settling Defendants" means non-settling defendants in this Action, any other defendants in non-preference actions filed by the Receiver, and, in each case, any persons acting on their behalf; (2). "The Lancer Actions" means this Action and any non-preference actions filed by the Receiver; and (3). "Any Plaintiff" means the Co-Lead Plaintiffs and any member of the class alleged in this Action, and the Receiver in non-

preference actions.

B. To implement principles of proportionate fault, Co-Lead Plaintiffs and Settlement Class Members shall not seek any recovery from any person in respect of any alleged action or omission of any Released Person with respect to the Released Claims and, in the event any such recovery is obtained nevertheless, shall assign it to the Carrier (defined in the Stipulation as any insurance provider that is funding any portion of the Settlement Fund). To further implement principles of proportionate fault, Co-Lead Plaintiffs shall:

- (i) not seek in any other settlement concerning the Funds, any amount in respect of any conduct or any alleged conduct of any Released Person;
- (ii) not permit any other settlement made on their behalf or on behalf of the Settlement Class or through which they or the Settlement Class benefits concerning the Funds to purport to attribute any payment to any conduct or alleged conduct of any Released Person; and
- (iii) not seek to recover from any person any amount in connection with the Funds in respect of any alleged act or omission of any Released Person.

Subject to the foregoing, nothing will limit any right of the Co-Lead Plaintiffs or the Settlement Class Members to pursue claims against any defendant in the Action or some other action other than the Released Persons for such defendant's own acts or omissions, or from pursuing their claims against any person other than a Released Person for any claims other than the Released Claims.

<b>What rights against the Receiver may I be giving up?</b>
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43. As part of the Settlement, the Receiver, personally and in his capacity as receiver of the Lancer Entities, and the Lancer Entities are releasing all Released Persons from the Released Claims (as those terms are defined above), as set forth in the Stipulation. The Receiver is asking that all Settlement Class Members, investors, creditors and interested parties with respect to the Lancer Entities (the "Claimant Releasers") release the Receiver and hold him harmless, now and forever, personally and in his capacity as receiver for the Lancer Entities, and his professionals, employees and agents, from any obligation, claim, cause of action or demand of any kind that they presently have, may have in the future, or have had in the past, at law or in equity, directly, indirectly or in a representative capacity, known or unknown, discovered or undiscovered, arising from the Settlement or the scope of the release granted by the Receiver to the Released Persons (the "Receiver Released Claims"), and that they be permanently enjoined from prosecuting the Receiver Released Claims. This does not release or otherwise limit the Claimant Releasers' rights or obligations arising out of the Stipulation, nor does it impact any proof of claim already filed in the Receivership and/or Bankruptcy Proceeding, including without limitation, any determinations which have been or will be made concerning the allowance, disallowance or reduction of such proofs of claim. The Settlement of the Action by the Settlement Class Members will not be affected by any objections filed by any Claimant Releasers to the release granted by the Receiver to the Released Persons. **ANY INTERESTED PARTY IN CONNECTION WITH THE LANCER ENTITIES, INCLUDING, WITHOUT**

**LIMITATION, INVESTORS AND CREDITORS THEREOF, MUST FILE A WRITTEN OBJECTION IF THEY OPPOSE THE SCOPE OF THE RECEIVER'S RELEASE IN CONNECTION WITH THE SETTLEMENT.**

**How do I participate in the Settlement? What do I need to do?**

44. If you have **NOT** already submitted a proof of claim to the Receiver or in the Bankruptcy Proceeding, 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 Offshore and/or OmniFund so that it is postmarked no later than **January 20, 2009**, to: Craig Rasile, Esq., as counsel for Marty Steinberg, Esq., Receiver, Hunton & Williams LLP, 1111 Brickell Avenue Suite 2500, Miami, Florida 33131. Any Settlement Class Member who fails to submit a Class Proof of Claim Form by **January 20, 2009**, or who has not already submitted a proof of claim to the Receiver or in the Bankruptcy Proceeding, 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 and Agreement of Settlement including the terms of any judgments entered and the releases given.

45. The Court may disallow or adjust the claim of any Settlement Class Member. The Court also may modify the method for determining distribution without further notice to the Settlement Class. Payments, as approved by the Court, will be conclusive against all Authorized Claimants. No person shall have any claim against any Co-Lead Counsel, the Receiver or other agent designated by Co-Lead Counsel 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 Settlement Class Member you are represented by Co-Lead Plaintiffs and Co-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, 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 Co-Lead Counsel's application for attorneys' fees and reimbursement of expenses, and if you do not exclude yourself or opt out of 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?**

48. Each Settlement 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 Settlement Class, postmarked no later than **December 5, 2008**, addressed to: (1) Joel H. Bernstein and Nicole M. Zeiss, Labaton Sucharow LLP, 140 Broadway, 34<sup>th</sup> Floor, New York, NY 10005; (2) William R. Maguire and Jeffrey M. Greilsheimer, Hughes Hubbard & Reed, LLP, One Battery Park Plaza, New York, NY 10004-1482; and (3) Lawrence J. Zweifach and Richard Cashman, Heller Ehrman LLP, Times Square Tower, 7 Times Square, New York, NY 10036. No person may exclude himself, herself or itself from the Settlement 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 PWC Settlement in JOHN BRUHL, KEITH ROTMAN and SCOTT MALTZ, individually and on behalf of all others similarly situated, vs. PRICEWATERHOUSECOOPERS INTERNATIONAL LIMITED, PRICEWATERHOUSECOOPERS (NETHERLANDS ANTILLES), THE CITCO GROUP LIMITED, CITCO FUND SERVICES (CURAÇAO), N.V., KIERAN CONROY, DECLAN QUILLIGAN, ANTHONY J. STOCKS, JOHN M.S. VERHOOREN, JOHN W. BENDALL, JR., RICHARD GEIST, INTERNATIONAL FUND SERVICES (IRELAND) LIMITED, BANC OF AMERICA SECURITIES, LLC, GOLDSTEIN GOLUB KESSLER LLP, and AMERICAN EXPRESS TAX AND BUSINESS SERVICES, 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 Offshore and OmniFund 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.

49. If a Settlement Class Member requests to be excluded from the Settlement Class, that Settlement 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 METHOD OF DISTRIBUTION, YOU NEED TO ATTEND THE SETTLEMENT FAIRNESS HEARING.**

50. Any Settlement Class Member who does not request exclusion by **December 5, 2008** may appear at the Settlement Fairness Hearing and be heard on any of the matters to be considered at the Settlement Fairness Hearing. If you request to be excluded from the Settlement Class, you cannot object to the Settlement or matters related to the Settlement. No Settlement 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 Fairness Hearing, by him, her or it (including proof of all purchases and sales of OmniFund or Offshore 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 **December 5, 2008**, and is served on the same day by hand or overnight delivery to each of the following:

Joel H. Bernstein  
Nicole M. Zeiss  
Labaton Sucharow LLP  
140 Broadway, 34<sup>th</sup> Floor  
New York, NY 10005

Harley S. Tropin  
David M. Buckner  
Kozyak Tropin & Throckmorton,  
P.A.  
2525 Ponce De Leon Blvd.  
9<sup>th</sup> Floor  
Coral Gables, FL 33134

Aaron Podhurst  
Podhurst Orseck  
25 West Flagler Street, Suite 800  
Miami, FL 33130  
*Counsel for Plaintiffs and the  
Settlement Class*

Craig Rasile  
Hunton & Williams, LLP  
1111 Brickell Avenue  
25<sup>th</sup> Floor  
Miami, FL 33131

*Counsel for Marty  
Steinberg, Receiver*

William R. Maguire  
Jeffrey M. Greilsheimer  
Hughes Hubbard & Reed,  
LLP  
One Battery Park Plaza  
New York, NY 10004-1482

*Counsel for Defendant  
PricewaterhouseCoopers  
(Netherlands Antilles)*

Lawrence J. Zweifach  
Richard Cashman  
Heller Ehrman LLP  
Times Square Tower  
7 Times Square  
New York, New York 10036

*Counsel for Defendant  
PricewaterhouseCoopers  
International Limited*

51. The filing must demonstrate your membership in the Settlement Class including the number of OmniFund or Offshore shares purchased and/or held during the Class Period, price(s) paid, redemptions and the prices of all redemptions. Only Settlement 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. Settlement Class Members who approve of the Settlement need not appear at the Settlement Fairness Hearing.

52. 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 method of distribution and/or Co-Lead Counsel's application for an award of attorneys' fees and reimbursement of 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.

53. 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 Co-Lead Counsel.



**What if I bought and/or held shares on someone else's behalf?**

54. If you purchased and/or held shares of Offshore or OmniFund 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 Offshore or OmniFund Shares 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 this Notice and Class Proof of Claim within seven (7) days of receipt of the copies of this Notice from the Receiver, and, upon such mailing, you shall send a statement to the Receiver confirming that the mailing was made as directed. 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 Co-Lead Counsel's website at [www.labaton.com](http://www.labaton.com).

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

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

Joel Bernstein  
Nicole M. Zeiss  
Labaton Sucharow LLP  
140 Broadway, 34<sup>th</sup> Floor  
New York, NY 10005  
(212)907-0810

-or-

Harley S. Tropin  
David M. Buckner  
Kozyak Tropin & Throckmorton, P.A.  
2525 Ponce De Leon Blvd.  
9<sup>th</sup> Floor  
Coral Gables, FL 33134

**PLEASE DO NOT CONTACT THE COURT.**

DATED: \_\_\_\_\_

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