

UNITED STATES DISTRICT COURT

DISTRICT OF NEW MEXICO

In re HORIZON/CMS HEALTHCARE CORPORATION ) Master File No.
SECURITIES LITIGATION ) 96-0442-BB/LCS
This Document Relates To: ) CLASS ACTION
ALL PROCEEDINGS. )

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS WHO PURCHASED OR ACQUIRED SHARES OF THE COMMON STOCK OF HORIZON/CMS HEALTHCARE CORPORATION ("HORIZON") DURING THE PERIOD FROM JUNE 6, 1995 THROUGH AND INCLUDING MARCH 15, 1996.

The purpose of this Notice is to inform you of the proposed settlement of this class action litigation (the "Settlement"), and the hearing to be held by the United States District Court for the District of New Mexico (the "Court") to consider the fairness, reasonableness, and adequacy of the proposed Settlement. This Notice describes rights you may have under the proposed Settlement and what steps you may take in relation to the Settlement.

The Settlement will result in the creation of a fund in the amount of \$17 million in cash, plus a guarantee of an additional \$3 million in cash for certain additional claims (the "Excluded Claims," defined below) which are not part of this Settlement. The Plaintiffs will continue to litigate these Excluded Claims on behalf of the class, and may recover up to \$10 million on such claims. If the Plaintiffs recover less than \$3 million for the Excluded Claims, the Defendants will pay the difference up to \$3 million pursuant to the guarantee. In short, the class will receive at least \$20 million and potentially as much as \$27 million for all of its claims in this litigation.

The average recovery per share depends on a number of variables including the number of shares affected and the amount of inflation per share. Based on Plaintiffs' estimate of 40 million shares affected and assuming that all affected shares elect to participate in the Settlement, the average recovery per share will be between \$0.50 and \$0.67, before deduction of Court-approved fees and expenses.

Plaintiffs estimate that, if they prevailed on all their claims at trial, the maximum average damage per share could be as high as \$5.25. Defendants, on the other hand, estimate that the average damage per share was only \$0.77, and that only between 13.4 and 14.6 million shares were affected, for total class damages of between \$10.3 and \$11.3 million.

Plaintiffs believe that the proposed Settlement is in the best interests of the class. In Plaintiffs' view, there was a very significant risk that had this litigation proceeded to trial, they would not have prevailed on all of their claims, in which case the recovery would be substantially reduced. Moreover, because of the inherent risks associated with trial, there was also a danger that Plaintiffs would not have prevailed on any of their claims, in which case the class would receive nothing. The proposed Settlement eliminates these risks, and provides the class with a substantial recovery.

Plaintiffs' counsel have not received any payment for their services in conducting this litigation on behalf of Plaintiffs and the members of the class, nor have they been reimbursed for their out-of-pocket expenditures. If the proposed Settlement is approved by the Court, counsel for the Plaintiffs will apply to the Court for attorneys' fees and reimbursement of out-of-pocket expenses to be paid from the settlement proceeds. If the full amount requested is awarded by the Court, the average cost per share would range from \$0.18 - \$0.23 per share depending on the extent of any additional recovery on the Excluded Claims.

This Notice is not an expression of any opinion by the Court about the merits of any of the claims or defenses asserted by any party in this litigation, or the fairness or adequacy of the proposed settlement.

For further information regarding this Settlement you may contact: Rick Nelson, Milberg Weiss Bershad Hynes & Lerach LLP, 600 West Broadway, Suite 1800, San Diego, California 92101 Telephone: 619/231-1058.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION. PLEASE NOTE THAT IF YOU ARE A SETTLEMENT CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THIS FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM ON OR BEFORE OCTOBER 1, 1997, IN THE MANNER SET FORTH BELOW IN SECTION 10.

1. Notice Of Hearing On Proposed Settlement

A settlement hearing will be held on September 12, 1997, at 1:15 p.m., before the Honorable Bruce D. Black, United States District Judge, at the United States Courthouse, 500 Gold Avenue, S.W., Albuquerque, New Mexico (the "Settlement Hearing"). The purpose of

the Settlement Hearing will be to determine: (1) whether the Settlement consisting of a guaranteed recovery of at least \$20 million in cash plus accrued interest should be approved as fair, just, reasonable and adequate; (2) whether the proposed plan to distribute the settlement proceeds (the "Plan of Allocation") is fair, just, reasonable, and adequate; (3) whether the application by Plaintiffs' counsel for an award of attorneys' fees and expenses should be approved; and (4) whether the Released Claims (defined below) should be dismissed with prejudice. The Court may adjourn or continue the Settlement Hearing without further notice to the Settlement Class.

## 2. Definitions Used In This Notice

a. "Horizon Purchaser Class" means all Persons who purchased or otherwise acquired Horizon common stock between June 6, 1995 and March 15, 1996, inclusive, and who were damaged thereby. Excluded from the Horizon Purchaser Class are Defendants, members of their families, any entity controlled by a Defendant and any entity in which a Defendant has an interest.

b. "Continental Shareholder Class" means all Persons who acquired Horizon common stock on or about July 10, 1995, in connection with the acquisition of Continental Medical Systems by Horizon. Excluded from the Continental Shareholder Class are Defendants, members of their families, any entity controlled by a Defendant and any entity in which a Defendant has an interest.

c. "Defendants" means Horizon, Neal M. Elliott, Klemett L. Belt, Jr., Ernest A. Schofield, Rocco A. Ortenzio, Robert A. Ortenzio and Russell L. Carson.

d. "Excluded Claims" means all claims that have been or could have been asserted in the litigation against Individual Defendants Rocco A. Ortenzio, Robert A. Ortenzio and/or Russell L. Carson and/or any of their Related Parties, present or former associates, affiliates, employees, attorneys, advisors, agents, heirs, executors, personal representatives, estates, administrators, successors or assigns arising out of any conduct occurring prior to the closing of the merger between Continental and Horizon on or about July 10, 1995.

e. "Individual Defendants" means, as the context requires, Neal M. Elliott, Klemett L. Belt, Jr., Ernest A. Schofield, Rocco A. Ortenzio, Robert A. Ortenzio and Russell L. Carson.

f. "Person" means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, executors, administrators, successors, personal representatives, or assignees.

g. "Released Claims" means any and all claims, except Excluded Claims, which have or could have been asserted by or on behalf of the representative plaintiffs or the Settlement Class, against the Defendants in this litigation, based upon or related to both: (i) the purchase or acquisition of Horizon common stock by the Settlement Class members during the relevant period; and (ii) the facts, transactions, events, occurrences, disclosures, statements, acts, omissions, or failures to act which were or could have been alleged in the litigation, based upon the facts which were alleged.

h. "Settlement Class" means all the members of both the Continental Shareholder Class and the Horizon Purchaser Class, except those Persons who timely and validly request exclusion from the Settlement Class pursuant to this Notice.

## 3. The Litigation

Beginning on April 2, 1996, twelve lawsuits were filed in the United States District Court for the District of New Mexico (the "Court") as class actions on behalf of: (1) all Persons who purchased Horizon's stock during a defined period of time; and/or (2) those shareholders of Continental Medical Systems ("CMS" or "Continental") who acquired Horizon's shares on or about July 10, 1995 in connection with Horizon's acquisition of Continental (the "Continental Acquisition").

The twelve lawsuits were consolidated by an order of the Court, and a Consolidated Class Action Complaint was filed on September 30, 1996. The Complaint asserts claims on behalf of the Continental Shareholder Class based on false and incomplete disclosure made by the Defendants in connection with the Continental Acquisition. The Complaint also asserts claims on behalf of the Horizon Purchaser Class based on Defendants' dissemination of false and misleading statements regarding Horizon's operations and financial position. Plaintiffs claimed that as a result of the alleged false and misleading statements and/or omissions, the market price of Horizon common stock was artificially inflated and that Persons who purchased shares of Horizon common stock during the relevant period and/or exchanged their shares of Continental stock for Horizon common stock were damaged thereby.

In December 1996, Defendants moved to dismiss all of the claims alleged in the Complaint for failure to state a claim upon which relief can be granted and for failure to comply with the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). Plaintiffs opposed the motions. The Settlement was reached before the Court had considered these motions to dismiss.

## 4. Terms of the Proposed Settlement

The Defendants have paid into an escrow account, pursuant to the terms of the Stipulation of Settlement dated as of February 11, 1997 (the "Stipulation"), cash in the amount of Seventeen Million Dollars (\$17,000,000). In addition, Horizon has guaranteed that the Settlement Class will recover at least \$3 million for the Excluded Claims, irrespective of the outcome of the litigation of such claims.

Plaintiffs, on behalf of the Settlement Class, have agreed that they will not look to the personal assets of the Individual Defendants for the recovery of any amounts that may become due to the Settlement Class from the Individual Defendants on the Excluded Claims. The recovery on behalf of the Settlement Class for the Excluded Claims will be limited to \$10 million, the amount covered by and payable through the Individual Defendants' officers and directors insurance policy (the "Policy"). In the event that no recovery is made that is

payable by or through the Policy, the \$3 million guarantee shall be fully payable by Horizon for the benefit of the Settlement Class. The \$3 million guarantee will be reduced dollar for dollar for any amount that is payable by or through the Policy.

Thus, as the result of the Settlement, the Settlement Class is guaranteed a recovery of between \$20 million and \$27 million for all claims against all Defendants, \$17 million of which has already been paid. The exact amount of the total recovery will depend on the outcome of the litigation of the Excluded Claims.

Plaintiffs intend to distribute the proceeds of the Settlement in two stages. If the Settlement is approved by the Court, the first portion consisting of the \$17 million already paid by Defendants plus interest (less Court-awarded fees and costs), will be distributed upon completion of the claims process described below. The second portion, consisting of between \$3 million and \$10 million attributable to the Excluded Claims, will be distributed upon conclusion of the litigation of such claims. No further notice will be sent to those eligible to participate in the Settlement, and no further approval by the Court will be required with respect to any future disposition of the Excluded Claims.

#### 5. Reasons For Settlement

Counsel for the Plaintiffs have asserted numerous claims in the litigation and believe that the evidence developed to date supports such claims. However, counsel for the Plaintiffs recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the litigation against the Defendants through trial and subsequent appeals. Counsel for the Plaintiffs also have taken into account the uncertain outcome and the risk of any litigation, especially complex securities fraud actions, as well as the inherent difficulties and delays such litigation entails. Moreover, counsel for the Plaintiffs are mindful of the inherent problems of proof under and possible defenses to the federal securities law violations asserted and, therefore, believe that it is desirable that the Released Claims be settled and resolved. Counsel for the Plaintiffs believe that the Settlement confers substantial benefits upon the Settlement Class, is in its best interests, and should be approved.

#### 6. Defendants' Statement And Denial Of Wrongdoing And Liability

The Defendants have denied and continue to deny each and all of the claims, causes of action, and contentions alleged by the Plaintiffs on behalf of the Settlement Class in the litigation. The Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the litigation. The Defendants also have denied and continue to deny, inter alia, the allegations that the Plaintiffs or the Settlement Class have suffered any damages, that the price of Horizon common stock was artificially inflated by the alleged misrepresentations, non-disclosures or otherwise, or that the Plaintiffs or any members of the Settlement Class were harmed by the conduct alleged in the litigation.

Nonetheless, the Defendants have concluded that the further conduct of the litigation would be protracted and expensive, and that it is desirable that the Released Claims be fully and finally compromised, settled and resolved in the manner and upon the terms and conditions set forth in the Stipulation in order to avoid further expense, inconvenience, and distraction, to dispose of burdensome and protracted litigation, and to permit the operation of Horizon's business without further litigation and the distraction and diversion of Horizon's executive personnel with respect to matters at issue in the litigation. The Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this litigation. The Defendants have, therefore, determined that it is desirable and beneficial to them that the Released Claims be settled in the manner and upon the terms and conditions set forth in the Stipulation.

#### 7. Statement Of Plaintiff Recovery

Pursuant to the terms of the Settlement, the Defendants will pay up to \$20 million in settlement of all claims on behalf of the Settlement Class (the "Settlement Fund"). Plaintiffs estimate that as many as 40 million shares of Horizon common stock purchased or acquired during the Settlement Class Period were damaged as a result of the wrongdoing alleged in the Complaint. Plaintiffs estimate that if all eligible shares participate in the Settlement, the average recovery per damaged share would be between \$0.50 and \$0.67, before the deduction of Court-awarded fees and expenses. Depending on the total amount obtained in connection with this litigation, the number of claims filed, when during the Settlement Class Period a Settlement Class Member purchased or acquired shares of Horizon common stock, whether those shares were held at the end of the Settlement Class Period or sold during the Settlement Class Period, and if sold, when they were sold, an individual Settlement Class Member may receive more or less than this average amount per share.

A Settlement Class Member's distribution from the Settlement Fund will be governed by the Plan of Allocation, which must be approved by the Court. A detailed explanation of how each Settlement Class Member's claim will be calculated is set forth in the Plan of Allocation that appears at p. 5 of this Notice.

#### 8. Statement Of Potential Outcome Of Case

Had this litigation proceeded to trial and had Plaintiffs prevailed on every claim and contention asserted, Plaintiffs estimate that the average per share recovery could have been as high as \$5.25 per share before the deduction of any Court-awarded fees and expenses. However, there was a substantial risk that Plaintiffs and the Settlement Class would not have prevailed on all claims or that the recoverable damages would be substantially less than \$5.25 per share.

Defendants maintain that only 13.4 to 14.6 million shares, at most, were affected, that the maximum damages recoverable by the class were only between \$10.3 and 11.3 million, and that the maximum average damages per share was \$0.77.

9. Order Certifying A Class For Purposes Of Settlement

On June 16, 1997, the Court certified a class, for settlement purposes only. The Settlement Class consists of all members of both the Continental Shareholder Class and the Horizon Purchaser Class. Excluded from the Settlement Class are those Persons who timely and validly request exclusion pursuant to this Notice.

10. Participation In The Class

If you fall within the definition of the Settlement Class, you will remain a Settlement Class Member unless you elect to be excluded from the Settlement Class. If you do not request to be excluded from the Settlement Class, you will be bound by any judgment entered in the litigation whether or not you file a Proof of Claim.

If you wish to remain a Settlement Class Member, you need do nothing (other than timely file a Proof of Claim and Release in order to participate in the distribution of the Net Settlement Fund) and you will be represented by Plaintiffs' counsel. You may enter a legal appearance individually or through your own counsel at your own expense.

**TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE.** The Proof of Claim and Release must be postmarked on or before October 1, 1997, and delivered to the Claims Administrator at the address below. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim, you will be barred from receiving any payments from the Net Settlement Fund, but will in all other respects be bound by the provisions of the Stipulation and the Final Judgment.

11. Exclusion From The Class

You may request to be excluded from the Settlement Class. To do so, you must mail a written request to:

Horizon Securities Litigation  
c/o Claims Administrator  
Gilardi & Co. LLC  
P.O. Box 5100  
Larkspur, CA 94977-5100

The request for exclusion must state: (1) your name, address, and telephone number; (2) your purchases, acquisitions and sales of Horizon common stock made during the Settlement Class Period, including the dates, the number of shares, and price paid or received per share for each such purchase or sale; and (3) that you wish to be excluded from the Settlement Class. **TO BE VALID, A REQUEST FOR EXCLUSION MUST STATE ALL OF THE FOREGOING INFORMATION. YOUR EXCLUSION REQUEST MUST BE POSTMARKED ON OR BEFORE AUGUST 15, 1997.** If you submit a valid and timely request for exclusion, you shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or the Final Judgment.

13. Plan Of Allocation

The Net Settlement Fund (the Settlement Fund after deduction of Court-awarded attorneys' fees, litigation expenses, and administrative expenses including the cost of publishing, printing and mailing this Notice, costs associated with the establishment and administration of the Settlement Fund, costs of processing claims, and payment of any taxes) shall be distributed to Settlement Class Members who submit valid, timely Proof of Claim forms ("Authorized Claimants") under the Plan of Allocation. The Plan of Allocation provides that you will be eligible to participate in the distribution of the Settlement Fund only if you have a net loss on all transactions in Horizon common stock during the Settlement Class Period. Because of the fluctuations in the price of Horizon common stock during the Settlement Class Period, it is possible that gains were realized on some transactions during the Settlement Class Period.

For purposes of determining the amounts an Authorized Claimant may recover under the Plan of Allocation, the Settlement Class Period has been divided into three sub-periods. The differences in allowed claims among the three sub-periods were arrived at by Lead Counsel, in consultation with their damage consultant, who considered the relative merits of Plaintiffs' claims and the likely damages that could have been recovered if Plaintiffs were successful in establishing liability. Thus, the Plan of Allocation does not provide compensation for all trading losses that may have occurred during the Settlement Class Period.

To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Claim, as defined below. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage that each Authorized Claimant's Claim bears to the total of the Claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

A Claim will be calculated as follows:

**1. For shares of Horizon common stock that were acquired on or about July 10, 1995, in exchange for CMS shares in the acquisition of CMS by Horizon, and**

- A. sold on or before February 29, 1996, the claim per share is \$0.00;
- B. sold on March 1, 1996 through March 15, 1996, the claim per share is \$19.25 per share less the sales price per share; or
- C. held at the close of trading on March 15, 1996, the claim per share is \$5.375.

**2. For shares of Horizon common stock that were purchased on the open market on June 6, 1995 through February 29, 1996, and**

- A. sold on or before February 29, 1996, the claim per share is \$0.00;
- B. sold on March 1, 1996 through March 15, 1996, the claim per share is 75% of the lesser of:
  - i. \$5.625 per share; or
  - ii. the purchase price per share less the sales price per share.
- C. held at the close of trading on March 15, 1996, the claim per share is 75% of the lesser of:
  - i. \$8.00 per share; or
  - ii. the difference between the purchase price per share and \$13.875 per share.

**3. For shares of Horizon common stock that were purchased on March 1, 1996 through March 15, 1996, and**

- A. sold on March 1, 1996 through March 15, 1996, the claim per share is \$0.00; or
- B. held at the close of trading on March 15, 1996, the claim per share is 75% of \$2.375 which is \$1.78 per share.

- 4. The date of purchase or sale is the "contract" or "trade" date as distinguished from the "settlement" date. The determination of the price paid per share and the price received per share, shall be exclusive of all commissions, taxes, fees and charges.
- 5. For Settlement Class Members who made multiple purchases or multiple sales during the Settlement Class Period, the earliest subsequent sale shall be matched with the earliest purchase and chronologically thereafter for purposes of the Claim calculations.
- 6. All profits shall be subtracted from the total of all losses to determine the Claim of each Settlement Class Member. Only if a Settlement Class Member had a net loss, after profits from all transactions in Horizon common stock during the Settlement Class Period are subtracted from the total of losses, will such class member be eligible to receive a distribution from the Net Settlement Fund.
- 7. The Court has reserved jurisdiction to allow, disallow or adjust the Claim of any Settlement Class Member on equitable grounds.

**14. Dismissal And Releases**

If the proposed Settlement is approved, the Court will enter a Final Judgment and Order of Dismissal of the Released Claims ("Judgment"). The Judgment will dismiss the Released Claims with prejudice as to all Defendants.

The Judgment will provide that all Settlement Class Members who do not validly and timely request to be excluded from the Settlement Class shall be deemed to have released and forever discharged all Released Claims (to the extent members of the Settlement Class have such claims) against all Released Persons.

**15. Application For Fees, Expenses And Awards**

At the Settlement Hearing, counsel for Plaintiffs will request the Court to award attorneys' fees not to exceed one-third of the Settlement Fund (including any additional recovery on the Excluded Claims), or an average from \$0.17 - \$0.22 depending on the extent of any additional recovery on the Excluded Claims. In addition, Plaintiffs' Counsel will seek reimbursement of the expenses, not to exceed \$400,000.00, or an average of \$.01 per share, which were advanced in connection with the litigation, including expenses incurred for experts. Settlement Class Members are not personally liable for any fees and expenses. No further notice will be sent to those eligible to participate in the Settlement and no further approval by the Court will be required with respect to any future disposition of the Excluded Claims.

To date, Plaintiffs' counsel have not received any payment for their services in conducting this litigation on behalf of Plaintiffs and the members of the class, nor have counsel been reimbursed for their out-of-pocket expenses. The fee requested by Plaintiffs' counsel would compensate counsel for their efforts in achieving the Settlement Fund for the benefit of the class, and for their risk in undertaking this representation on a contingency basis. If approved by the Court, the fee requested would be within the range of fees awarded to plaintiffs' counsel under similar circumstances in litigation of this type.

**16. Conditions For Settlement**

The Settlement is conditioned upon the occurrence of certain events. Those events include, among other things: (1) entry of the Judgment by the Court, as provided for in the Stipulation; and (2) expiration of the time to appeal from or alter or amend the Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation might be terminated and, if terminated, will

become null and void, and the parties to the Stipulation will be restored to their respective positions as of February 10, 1997, the date before an agreement in principle to settle the Litigation was reached.

17. The Right To Be Heard At The Hearing

Any Settlement Class Member who has not validly and timely requested to be excluded from the Settlement Class, and who objects to any aspect of the Settlement, the Plan of Allocation, or the application for attorneys' fees, costs and expenses, may appear and be heard at the Settlement Hearing. Any such Person must submit a written notice of objection, postmarked on or before August 15, 1997, to each of the following:

Clerk of the Court  
United States District Court  
District of New Mexico  
500 Gold Avenue, S.W.  
Albuquerque, NM 87103

MILBERG WEISS BERSHAD  
HYNES & LERACH LLP  
ALAN SCHULMAN  
JOY ANN BULL  
600 West Broadway, Suite 1800  
San Diego, CA 92101

VINSON & ELKINS LLP  
CHARLES W. SCHWARTZ  
2300 First City Tower  
1001 Fannin Street  
Houston, TX 77002

The notice of objection must demonstrate the objecting Person's membership in the Settlement Class, and contain a statement of the reasons for objection. Only members of the Settlement Class who have submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

18. Special Notice To Nominees

If you hold or purchased any shares of Horizon common stock during the Settlement Class Period as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice and the Proof of Claim by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Horizon Securities Litigation  
c/o Claims Administrator  
Gilardi & Co. LLC  
P.O. Box 5100  
Larkspur, CA 94977-5100

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

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

19. Examination Of Papers

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may desire to review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, United States Courthouse, 500 Gold Avenue, S.W., Albuquerque, New Mexico 87103.

If you have any questions about the settlement of the litigation, you may contact Plaintiffs' Settlement Counsel:

MILBERG WEISS BERSHAD  
HYNES & LERACH LLP  
ALAN SCHULMAN  
JOY ANN BULL  
600 West Broadway, Suite 1800  
San Diego, CA 92101  
(619) 231-1058

FREEDMAN, BOYD, DANIELS,  
HOLLANDER, GUTTMAN & GOLDBERG P.A.  
DAVID A. FREEMAN  
or 20 First Plaza, Suite 700 or  
Albuquerque, NM 87102  
(505) 842-9960

BRANCH LAW FIRM  
TURNER W. BRANCH  
2025 Rio Grande Blvd., N.W.  
Albuquerque, NM 87104  
(505) 243-3500

**DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.**

DATED: June 16, 1997

BY ORDER OF THE UNITED STATES  
DISTRICT COURT FOR THE

DISTRICT OF NEW MEXICO