

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

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| IN RE PNC FINANCIAL SERVICES GROUP, INC. SECURITIES LITIGATION | : | Case No. 02-CV-271 |
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| | : | JUDGE CERONE |
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| THIS DOCUMENT RELATES TO ALL ACTIONS | : | |
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STIPULATION AND AGREEMENT OF SETTLEMENT WITH ERNST & YOUNG LLP

This Stipulation and Agreement of Settlement (the “Stipulation”) is submitted pursuant to Rule 23 of the Federal Rules of Civil Procedure. Subject to the approval of the Court, this Stipulation is entered into among Lead Plaintiffs Specialists DPM, LLC, Teamsters Local 272 Labor & Management Pension Fund, Joint Industry-Engineers Union Local 30 Pension Fund, and Teamsters Local 210 Pension Fund on behalf of themselves and the Class (as hereinafter defined) and Defendant Ernst & Young LLP (“E&Y”), by and through their respective counsel. Lead Plaintiffs and E&Y shall be collectively referred to herein as the “Parties”.

WHEREAS:

A. Beginning on February 1, 2002, twelve putative class actions alleging violations of federal securities laws – Johnson v. PNC Financial Services Group, Inc., et al., Case No. 02-CV-271; Rose v. PNC Financial Services Group, Inc., et al., Case No. 02-CV-289; Lang v. PNC Financial Services Group, Inc., et al., Case No. 02-CV-295; Elovitz v. PNC Financial Services Group, Inc., et al., Case No. 02-CV-308; Rassas v. PNC Financial Services Group, Inc., et al., Case No. 02-CV-324; Markovitz v. PNC Financial Services Group, Inc., et al., Case No. 02-CV-325; Market Street Securities, Inc. v. PNC Financial Services Group, Inc., et al., Case No. 02-CV-326; Garcia v. PNC Financial Services Group, Inc., et al., Case No. 02-CV-359; Zebarth v.

PNC Financial Services Group, Inc., et al., Case No. 02-CV-430; Teamsters Local 272 Labor & Management Pension Fund v. PNC Financial Services Group, Inc., et al., Case No. 02-CV-472; Krain v. PNC Financial Services Group, Inc., et al., Case No. 02-CV-538; and Merco & Co. v. PNC Financial Services Group, Inc., et al., Case No. 02-CV-555 – were filed in this Court and were subsequently consolidated under the caption above (the “Litigation”);

B. The Consolidated Class Action Complaint dated October 4, 2002 (the “CAC”) filed in the Litigation sought to recover damages caused by the Defendants’ alleged violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. Specifically, the CAC alleged that the price of PNC Financial Services Group, Inc. (“PNC”) stock was artificially inflated throughout the Class Period – July 19, 2001 through and including July 18, 2002 – because defendant PNC did not account correctly for three structured transactions with special purpose entities (“SPEs”) sponsored by American International Group, Inc. (“AIG”) and/or its affiliates (the “PAGIC transactions”). In particular, the CAC alleged that PNC should have consolidated the financial statements of the SPEs with its own financial statements, since PNC bore the risk of loss associated with the assets transferred to the SPEs, but, to avoid disclosing losses associated with those assets, did not consolidate. The CAC also alleged that although PNC announced on January 29, 2002 that it would restate earnings for the second and third quarters of fiscal 2001 and would revise previously-announced fourth quarter and year-end numbers to reflect the consolidation of the financial statements of the SPEs, it was not until July 18, 2002 – the day that the Securities and Exchange Commission (the “SEC”) announced that it had issued a cease-and-desist order against PNC with respect to the accounting for the SPEs – that the investing public was finally informed that PNC’s management had engaged in “accounting improprieties” and in particular a “misuse of special purpose entities;”

C. E&Y, PNC's auditor, was alleged by Lead Plaintiffs to have participated in a scheme to defraud by rendering advice to PNC in connection with the structuring of and accounting for the PAGIC transactions;

D. E&Y moved to dismiss the CAC, arguing, among other things, its legal insufficiency. The E&Y motion was ultimately dismissed by the Court as moot when Lead Plaintiffs filed the Second Amended Complaint, referenced in ¶ K below;

E. On June 2, 2003, PNC ICLC Corp., an indirect non-bank subsidiary of PNC, entered into a Deferred Prosecution Agreement (the "DPA") with the United States Department of Justice (the "DOJ"), Criminal Division, Fraud Section. Pursuant to the DPA, PNC ICLC Corp. paid \$90 million into a fund (the "Restitution Fund") established "for victim restitution, including for the settlement of any pending shareholder securities law litigation." (DPA, ¶ 7). Under the terms of the DPA, none of the proceeds of the Restitution Fund may be payable as attorneys' fees and all costs of administering the Restitution Fund are to be borne by PNC ICLC Corp. To the extent that any money in the Restitution Fund is not claimed within four years, the remaining amount will revert to the United States Treasury;

F. On November 23, 2004, AIG, without admitting or denying the allegations asserted against it in a complaint filed by the SEC, consented to the issuance of a final judgment in Securities and Exchange Commission v. American International Group, Inc., No. 04-2070 (D.D.C.), ordering AIG to disgorge \$39.821 million in fees AIG Financial Products Corp. ("AIG-FP") received for entering into the PAGIC transactions, plus pre-judgment interest of \$6.545 million, to the Restitution Fund;

G. The DOJ, pursuant to a deferred prosecution agreement dated November 30, 2004 entered into by DOJ and AIG-FP PAGIC Equity Holding Corp. and an agreement of even date entered into by DOJ and AIG-FP, imposed an \$80 million monetary penalty on AIG-FP and directed that \$20 million of the penalty be contributed to the Restitution Fund;

H. After several years of litigation and negotiations, on December 17, 2004, Lead Plaintiffs and PNC entered into a Memorandum of Understanding pursuant to which PNC agreed to pay \$30 million and to assign to the Class any claims it may have had (or its subsidiaries may have had) against any of the law firms or accounting firms that advised PNC in connection with the PAGIC transactions, for a full release of all claims that the Class may have had against PNC;

I. Shortly thereafter, Lead Plaintiffs entered into agreements with AIG-FP, Arnold & Porter LLP (“A&P”) and Buchanan Ingersoll PC (“BI”),¹ wherein these entities agreed to pay \$4 million, \$700,000 and \$1.9 million, respectively, to the Class for a full release of all claims that the Class or PNC may have had against any of these entities;

J. On March 25, 2005, Lead Plaintiffs, Defendants PNC, James E. Rohr, Samuel S. Patterson and Robert L. Haunschild (collectively, the “PNC Defendants”) and AIG-FP, A&P and BI entered into a Stipulation and Agreement of Settlement (the “PNC Stipulation” or the “PNC Settlement”);

K. On March 31, 2005, Lead Plaintiffs filed a Second Amended and Consolidated Complaint (the “Second Amended Complaint”) against E&Y, reasserting the claims of the CAC,

¹ Buchanan Ingersoll PC has since reformed as Buchanan Ingersoll & Rooney PC and shall be referred to as “BI”.

adding a claim that E&Y made materially false and misleading statements after the July 29, 2002 restatement announcement with regard to an alleged disagreement with PNC, and asserting state law claims for malpractice and misrepresentation that had been assigned to the class in the PNC Settlement. (The CAC and the Second Amended Complaint shall be referred to as the “Complaints”). E&Y again moved to dismiss all of the claims; that motion was pending at the time the Parties reached the resolution embodied herein;

L. E&Y objected to two aspects of the PNC Settlement. First, E&Y objected that the bar orders contained in the proposed order and final judgment were not mutual, were broader in scope than the contribution bar mandated by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”) and did not provide compensation for the taking of some of E&Y’s claims. Second, E&Y objected to the proposed plan of allocation of the settlement proceeds, on the grounds that (i) the plan would operate to diminish E&Y’s judgment reduction rights under the PSLRA and (ii) the settling parties did not produce sufficient evidence to justify the plan’s allocation scheme;

M. The PNC Settlement was subsequently presented to the District Court for approval after notice was provided to the Class, a full round of briefing was completed by all parties and objectors and oral argument was held at a fairness hearing on August 4, 2005;

N. On July 13, 2006, the District Court approved the PNC Settlement over the objections of E&Y, and entered the Order and Final Judgment (the “July 13th Final Order”);

O. E&Y filed a timely notice of appeal of the July 13th Final Order to the United States Court of Appeals for the Third Circuit, which was docketed in that Court as Appeal No. 06-3718 (the “Appeal”);

P. As part of the Third Circuit's mediation program, Lead Plaintiffs and E&Y attended a mediation presided over by the Third Circuit Mediator, Joseph A. Torregrossa, Esquire, wherein an agreement in principle was reached to resolve E&Y's objections to the PNC Settlement and to resolve this underlying Litigation in its entirety for a payment by E&Y of \$9,075,000 in exchange for a full release of all claims against E&Y, as described herein;

Q. This agreement in principle was subsequently memorialized by a Memorandum of Understanding executed on or about October 10, 2006;

R. E&Y denies any wrongdoing whatsoever and this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of E&Y with respect to any claim or of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that E&Y has asserted. The Parties to this Stipulation recognize that the Litigation is being voluntarily settled after advice of counsel, and that the terms of the settlement are fair, reasonable, and adequate. This Stipulation shall not be construed or deemed to be a concession by Lead Plaintiffs of any infirmity in the claims asserted in the Litigation;

S. Plaintiffs' Co-Lead Counsel has conducted an investigation relating to the claims and the underlying events and transactions alleged in the Complaints. Plaintiffs' Co-Lead Counsel has, among other things: analyzed the evidence adduced during discovery taken in connection with the PNC Settlement; and researched the applicable law with respect to the claims of Lead Plaintiffs, the Class, and all Class Members against E&Y and the potential defenses thereto;

T. Plaintiffs' Co-Lead Counsel and Defendant's Counsel had numerous face-to-face and telephonic private settlement discussions throughout the course of this Litigation, in which each side explored the strengths and weaknesses of the case. It was not until the Third Circuit

mediation that sufficiently substantial progress was made and the agreement in principle was reached;

U. Based upon their investigation, discovery taken in connection with the PNC Settlement and settlement negotiations as set forth above, Plaintiffs' Co-Lead Counsel have concluded that the terms and conditions of this Stipulation are fair, reasonable and adequate to Lead Plaintiffs, the Class, and Class Members, and in their best interests, and have agreed to settle the claims raised in this Litigation pursuant to the terms and provisions of this Stipulation, after considering (a) the substantial benefits that Lead Plaintiffs, the Class, and Class Members will receive from settlement of the Litigation, (b) the attendant risks of litigation, including the possibility of the July 13th Final Order approving the PNC Settlement not being affirmed by the appellate court, and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of this Stipulation.

NOW THEREFORE, without any admission or concession on the part of Lead Plaintiffs of any lack of merit of the Litigation whatsoever, and without any admission or concession of any liability or wrongdoing or lack of merit in the defenses whatsoever by E&Y, it is hereby STIPULATED AND AGREED, by and among the Parties to this Stipulation, through their respective attorneys, subject to approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, in consideration of the benefits flowing to the Parties from the Settlement, that all Settled Claims (as defined below) as against the Released Parties (as defined below) and all Settled Defendant's Claims (as defined below) shall be compromised, settled, released and dismissed with prejudice, upon and subject to the following terms and conditions:

CERTAIN DEFINITIONS

1. As used in this Stipulation, the following terms shall have the following meanings:

(a) “Appeal” means the appeal of the July 13th Final Order approving the PNC Settlement taken by E&Y to the United States Court of Appeals for the Third Circuit, which was docketed in that Court as Appeal No. 06-3718;

(b) “Authorized Claimant” means a Class Member who has already submitted a valid Proof of Claim form in connection with the PNC Settlement or who submits a timely and valid Proof of Claim form to the Claims Administrator in connection with this Settlement.

(c) “Claims Administrator” means Louis W. Fryman, the administrator for the Restitution Fund, who shall administer the Settlement with the assistance of such agents as he determines, which may include the claims processing agent RSM McGladrey, Inc.

(d) “Class” and “Class Members” mean, for the purposes of this Settlement only, all persons who purchased PNC common stock, who purchased call options on PNC common stock, or who wrote (sold) put options on PNC common stock, from July 19, 2001 through July 18, 2002 inclusive (the “Class Period”), and the PNC Incentive Savings Plan on behalf of itself and its present and former participants and beneficiaries who purchased or otherwise acquired PNC common stock during the Class Period through the PNC Incentive Savings Plan. Excluded from the Class are all Defendants in the Litigation, AIG-FP, A&P and BI, any entity in which any Defendant, AIG-FP, A&P or BI has a controlling interest or which is a parent or subsidiary of or is controlled by any Defendant, AIG-FP, A&P or BI, and the officers, directors, partners, members, employees, affiliates, legal representatives, heirs, predecessors, successors and assigns of any of the Defendants, AIG-FP, A&P or BI, except that this exclusion

shall not apply to persons in their capacity as present or former participants in or beneficiaries of the PNC Incentive Savings Plan. Also excluded from the Class are any putative Class Members who exclude themselves by filing a timely request for exclusion in the manner directed by the Court and any putative Class Members who previously excluded themselves in connection with the PNC Settlement.

(e) “Class Period” means, for the purposes of this Stipulation only, the period of time from July 19, 2001 through and including July 18, 2002.

(f) “Defendant’s Counsel” means Drinker Biddle & Reath LLP.

(g) “Effective Date” means the date upon which the Settlement contemplated by this Stipulation shall become effective, as set forth in ¶ 25 below.

(h) “Final Order” means an order as to which there is no pending appeal, stay, motion for reconsideration, motion to vacate or similar request for relief, and as to which the period of time for a party to take an appeal, or to seek a stay, or to file a motion for reconsideration, motion to vacate or a similar request for relief has expired, which for the purposes of this Settlement shall be deemed to be (i) thirty-one (31) days after entry of the Final Order and Judgment, or (ii) if there has been an appeal, stay, motion for reconsideration, motion to vacate or similar request for relief, when the appeal, stay, or motion has been decided or resolved in such a way as to leave the Final Order and Judgment in effect and the time for any further appeal or review by writ of certiorari has expired.

(i) “Final Order and Judgment” means the proposed order to be entered approving the Settlement substantially in the form attached hereto as Exhibit B.

(j) “Notice” means the Notice of Proposed Settlement with Remaining Defendant Ernst & Young LLP and Motion for Attorneys’ Fees and Settlement Fairness Hearing

which is to be sent to Class Members substantially in the form attached hereto as Exhibit 1 to Exhibit A.

(k) “Order for Notice and Hearing” means the proposed order preliminarily approving the Settlement and directing notice thereof to the Class substantially in the form attached hereto as Exhibit A.

(l) “Plaintiffs’ Counsel” means Plaintiffs’ Co-Lead Counsel and all other counsel representing plaintiffs in the Litigation.

(m) “Plaintiffs’ Co-Lead Counsel” means the law firms of Milberg Weiss Bershad & Schulman LLP, Schiffrin & Barroway, LLP and Schoengold Sporn Laitman & Lometti, P.C.

(n) “Publication Notice” means the summary notice of proposed settlement and hearing for publication substantially in the form attached as Exhibit 3 to Exhibit A.

(o) “Released Parties” means E&Y, its predecessors, successors and assigns, its past and present parents, subsidiaries, partners, principals, employees, representatives, agents, insurers and reinsurers, and any entity in which E&Y has a controlling interest or which is related to or affiliated with E&Y.

(p) “Settled Claims” means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class, derivative, or individual in nature, including both known claims and Unknown Claims: (i) that have been asserted in the

Litigation by Lead Plaintiffs, the Class, or any Class Member (including but not limited to, for this purpose, the PNC Incentive Savings Plan and any current or former participant or beneficiary of the PNC Incentive Savings Plan) against any of the Released Parties; (ii) that could have been asserted in any forum by Lead Plaintiffs, the Class, or any Class Member (including but not limited to, for this purpose, the PNC Incentive Savings Plan and any current or former participant or beneficiary of the PNC Incentive Savings Plan) against any of the Released Parties, which arise out of, relate to, or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in any of the complaints filed in the Litigation and relate to the acquisition or ownership of shares of, or call or put options on, the common stock of PNC during the Class Period; or (iii) that were asserted by Andrew J. Gosline in his demand letter dated June 10, 2003 (“Gosline Demand Letter”) or that were asserted in any other derivative demands that have been made or may be made in connection with the PAGIC transactions that are described in the Second Amended Complaint against the Released Parties. Settled Claims shall include the claims that were assigned to Lead Plaintiffs and the Class under the terms of the December 17, 2004 Memorandum of Understanding and pursuant to ¶ 11 of the July 13th Final Order.

(q) “Settled Defendant’s Claims” means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in the Litigation or any forum by E&Y against any of Lead Plaintiffs, the Class, or any Class Member solely in his, her or its capacity as a Class Member, or his, her or its attorneys, relating to the institution, prosecution, or

settlement of the Litigation and/or the claims asserted by Andrew J. Gosline in his demand letter dated June 10, 2003 (except for claims to enforce the Settlement).

(r) “Settlement” means the settlement contemplated by this Stipulation.

(s) “Unknown Claims” means any and all Settled Claims which any Lead Plaintiff, the Class, or any Class Member (including, but not limited to, for this purpose the PNC Incentive Savings Plan and any current or former participant or beneficiary of the PNC Incentive Savings Plan) does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, and any Settled Defendant’s Claims which E&Y does not know or suspect to exist in its favor, 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 Settled Claims and Settled Defendant’s Claims, the Parties stipulate and agree that upon the Effective Date, Lead Plaintiffs and E&Y shall expressly waive, and each Class Member (including, but not limited to, for this purpose the PNC Incentive Savings Plan and any current or former participant or beneficiary of the PNC Incentive Savings Plan) and Released Party shall be deemed to have waived, and by operation of the Final Order and Judgment shall have expressly waived, 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.

Lead Plaintiffs and E&Y acknowledge, and Class Members and the Released Parties by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown

Claims” in the definition of Settled Claims and Settled Defendant’s Claims was separately bargained for and was a key element of the Settlement.

SCOPE AND EFFECT OF SETTLEMENT

2. The obligations incurred pursuant to this Stipulation shall be in full and final disposition of the Litigation as against E&Y and any and all Settled Claims as against all Released Parties and any and all Settled Defendant’s Claims.

3. (a) Upon the Effective Date of this Settlement, Lead Plaintiffs, the Class, and Class Members on behalf of themselves, their heirs, executors, administrators, successors and assigns, shall, with respect to each and every Settled Claim, release and forever discharge, and shall forever be enjoined from prosecuting, any Settled Claims against any of the Released Parties.

(b) Upon the Effective Date of this Settlement, E&Y, on behalf of itself and the Released Parties, shall release and forever discharge each and every Settled Defendant’s Claim, and shall forever be enjoined from prosecuting the Settled Defendant’s Claims.

(c) Pursuant to ¶ 16 of the July 13th Final Order, separate releases have been exchanged between E&Y and the parties to the PNC Settlement other than AIG-FP. The Parties anticipate that separate releases will be exchanged between E&Y and AIG-FP prior to entry of the Final Order and Judgment; if, however, such separate releases are not exchanged, the releases provided for in the proposed Final Order and Judgment will be deemed to be effective.

THE SETTLEMENT CONSIDERATION

4. E&Y has caused to be paid \$9,075,000 (“E&Y Settlement Amount”) into an interest-bearing escrow account maintained by Plaintiffs’ Co-Lead Counsel (“Escrow Account”)

for the benefit of the Class. The E&Y Settlement Amount and any interest earned thereon, shall be the E&Y Gross Settlement Fund.

5. The Parties will take whatever steps are necessary to ensure that the Appeal is effectively stayed until the District Court either approves or refuses to approve this Settlement. Upon the Effective Date of this Settlement, E&Y shall dismiss the Appeal with prejudice. E&Y may, at its sole option, withdraw the Appeal at an earlier time.

6. This is not a claims-made settlement. E&Y shall have no ability to get back any of the E&Y Settlement Amount once the Settlement becomes final pursuant to the terms of this Stipulation. E&Y shall have no involvement in reviewing or challenging claims submitted by Class Members.

7. The E&Y Gross Settlement Fund, net of any Taxes (as defined below) on the income thereof, shall be used to pay (i) the Notice costs referred to in ¶ 9 hereof, (ii) the attorneys' fee and expense award referred to in ¶ 10 hereof, and (iii) the expenses of administration of the Settlement not paid by PNC. The balance of the E&Y Gross Settlement Fund, shall be the "E&Y Net Settlement Fund" which shall be distributed to the Authorized Claimants as provided in ¶¶ 12-13 hereof. In order to reduce expenses associated with distributing the E&Y Net Settlement Fund to the Class, Lead Plaintiffs, in consultation with the Claims Administrator, shall have the option of combining the E&Y Net Settlement Fund with the Restitution Fund and the PNC Settlement Fund. Any sums required to be held in escrow hereunder prior to the Effective Date shall be held by Plaintiffs' Co-Lead Counsel as Escrow Agents. All funds held by the Escrow Agents shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be

distributed or returned to E&Y, pursuant to this Stipulation and/or further order of the Court. The Escrow Agents shall invest any funds in excess of \$100,000 in short term United States Agency or Treasury Securities (or a mutual fund invested solely in such instruments), and shall collect and reinvest all interest accrued thereon. Any funds held in escrow in an amount of less than \$100,000 may be held in an interest bearing bank account insured by the FDIC. The Parties agree that the E&Y Gross Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1, provided that preliminary approval of the Settlement is obtained from the Court. A timely “relation-back election” in accordance with Treasury Regulation §1.468B-1(j)(2)(ii) shall be made with respect to the E&Y Gross Settlement Fund once such preliminary approval by the Court has been obtained, so that the E&Y Gross Settlement Fund shall be treated as a Qualified Settlement Fund effective as of the later of: (A) the date the E&Y Settlement Amount was transferred to the Escrow Account; or (B) January 1 of the calendar year in which such preliminary approval by the Court is obtained. The Escrow Agents, as administrators of the E&Y Settlement Fund within the meaning of Treasury Regulation §1.468B-2(k)(3), shall be responsible for filing tax returns for the E&Y Gross Settlement Fund and paying from the E&Y Gross Settlement Fund any Taxes (defined below) owed with respect to the E&Y Gross Settlement Fund. All (i) taxes on the income of the E&Y Gross Settlement Fund and (ii) expenses and costs incurred in connection with the taxation of the E&Y Gross Settlement Fund (including, without limitation, expenses of tax attorneys and accountants) (collectively “Taxes”) shall be paid out of the E&Y Gross Settlement Fund, shall be considered to be a cost of administration of the Settlement and shall be timely paid by the Escrow Agents without prior order of the Court.

ADMINISTRATION

8. The Claims Administrator shall administer the Settlement subject to the jurisdiction of the Court. E&Y shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms.

9. Upon obtaining preliminary approval of the Settlement by the Court, Plaintiffs' Co-Lead Counsel shall be authorized to pay up to \$175,000 from the Escrow Account towards the reasonable costs and expenses associated with identifying Class Members and effecting Notice and Publication Notice to the Class, including, without limitation, the actual costs of publication, printing and mailing the Notice, reimbursements to nominee owners for forwarding the Notice to their beneficial owners, and the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing Notice (the "Notice Costs"). No other funds shall be paid from the Escrow Account prior to the Effective Date without the prior written consent of E&Y, except to pay attorneys' fees and expenses awarded, as set forth in ¶10 below. Following the Effective Date, the reasonable costs and expenses of Notice to the Class and administration of the Settlement, including, without limitation, the costs of processing the submitted claims and distributing the E&Y Net Settlement Fund to Authorized Claimants, shall be paid from the Escrow Account when incurred and/or approved, respectively, without further authorization from E&Y.

ATTORNEYS' FEES AND EXPENSES

10. Plaintiffs' Co-Lead Counsel may apply to the Court for an award from the E&Y Gross Settlement Fund of attorneys' fees not to exceed twenty eight (28%) of the E&Y Gross Settlement Fund and reimbursement of expenses, plus interest on both amounts. Such attorneys' fees, expenses, and interest as are awarded by the Court shall be paid from the E&Y Gross

Settlement Fund to Plaintiffs' Co-Lead Counsel immediately upon entry of an order of the District Court approving the Settlement and awarding such fees and expenses, subject to Plaintiffs' Co-Lead Counsel executing undertakings, promissory notes or guarantees of repayment, reasonably satisfactory to E&Y, that set forth each counsel's obligation to pay back any such amount if, or to the extent that, the award order is amended or does not become a Final Order.

DETERMINATIONS OF THE CLAIMS ADMINISTRATOR

11. Plaintiffs' Co-Lead Counsel will apply to the Court, on notice to E&Y for an order (the "Class Distribution Order") approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the claims submitted herein and if the Effective Date has occurred, directing payment of the E&Y Net Settlement Fund to Authorized Claimants.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

12. The Claims Administrator shall determine each Authorized Claimant's pro rata share of the E&Y Net Settlement Fund based upon each Authorized Claimant's Recognized Claim (as defined in the plan of allocation already approved by the Court in connection with the PNC Settlement ("Plan of Allocation")), compared to the total Recognized Claims of all Authorized Claimants.

13. The Plan of Allocation is not a necessary term of this Stipulation, and it is not a condition of this Stipulation that any particular plan of allocation be approved.

ADMINISTRATION OF THE SETTLEMENT

14. Any Class Member who does not submit a valid Proof of Claim form or has not previously submitted a valid Proof of Claim form in connection with the PNC Settlement will not be entitled to receive any of the proceeds from the E&Y Net Settlement Fund but will otherwise be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Final Order and Judgment to be entered in the Litigation and the releases provided for herein, and will be barred from bringing any action against the Released Parties concerning the Settled Claims.

15. The Claims Administrator shall process the Proofs of Claim and, after entry of the Class Distribution Order, distribute the E&Y Net Settlement Fund to the Authorized Claimants. As set forth above, in order to reduce expenses associated with distributing the E&Y Net Settlement Fund to the Class, Lead Plaintiffs, in consultation with the Claims Administrator, shall have the option of combining the E&Y Net Settlement Fund with the Restitution Fund and the Net Settlement Fund resulting from the PNC Settlement prior to distribution to Authorized Claimants. With respect to the administration of the Settlement or disbursement of the E&Y Net Settlement Fund, E&Y shall have no obligation other than payment of the E&Y Settlement Amount. Plaintiffs' Co-Lead Counsel shall have the right, but not the obligation, to advise the Claims Administrator to waive what Plaintiffs' Co-Lead Counsel deem to be formal or technical defects in any Proofs of Claim submitted, in the interests of achieving substantial justice.

16. For purposes of determining the extent, if any, to which a Class Member shall be entitled to be treated as an "Authorized Claimant", the following conditions shall apply:

(a) In the event that a Class Member has not previously submitted a valid Proof of Claim form in connection with the PNC Settlement, each Class Member shall be

required to submit a Proof of Claim (see attached Exhibit 2 to Exhibit A), supported by such documents as are designated therein, including proof of the transactions claimed and the losses incurred thereon, or such other documents or proof as the Claims Administrator, in its discretion, may deem acceptable;

(b) All Proofs of Claim must be submitted by the date specified in the Notice unless such period is extended by Order of the Court. Any Class Member who fails to submit a Proof of Claim by such date shall be forever barred from receiving any payment pursuant to this Stipulation, but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement including the terms of the Final Order and Judgment to be entered in the Litigation and the releases provided for therein, and will be barred from bringing any action against the Released Parties concerning the Settled Claims. Provided that it is received before the motion for the Class Distribution Order is filed, a Proof of Claim shall be deemed to have been submitted when posted, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator;

(c) Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator, who shall determine in accordance with this Stipulation and the Plan of Allocation the extent, if any, to which each claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below;

(d) Proofs of Claim that do not meet the submission requirements may be rejected. Prior to rejection of a Proof of Claim, the Claims Administrator shall communicate with the Claimant in order to remedy the curable deficiencies in the Proof of Claims submitted.

The Claims Administrator shall notify, in a timely fashion and in writing, all Claimants whose Proofs of Claim the Claims Administrator proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the Claimant whose claim is to be rejected has the right to a review by the Court if the Claimant so desires and complies with the requirements of subparagraph (e) below;

(e) If any Claimant whose claim has been rejected in whole or in part desires to contest such rejection, the Claimant must, within twenty (20) days after the date of mailing of the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the Claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Plaintiffs' Co-Lead Counsel shall thereafter present the request for review to the Court; and

(f) The administrative determinations of the Claims Administrator accepting and rejecting claims shall be presented to the Court, on notice to Defendant's Counsel, for approval by the Court in the Class Distribution Order.

17. It is agreed that the omnibus Proof of Claim that the PNC Incentive Savings Plan (the "Plan") submitted in connection with the PNC Settlement on behalf of the Plan's present and former participants and beneficiaries who purchased or otherwise acquired PNC common stock during the Class Period through the Plan shall be processed and allowed on the same basis as other claims. The Plan trust shall receive a single aggregate payment that shall be based on the sum of the PNC shares acquired (and sold, if applicable) by each and every Plan participant or beneficiary for their accounts within the Plan during the Class Period, including: (i) shares acquired through payroll deductions; (ii) shares acquired through the reallocation of participant

investment holdings; (iii) matching shares contributed by PNC on the participants' behalf; (iv) shares acquired by repayment of participant loans; (v) shares acquired by investment of rollover contributions; and (vi) all of the aforementioned methods of acquisition of PNC shares during the Class Period by or on behalf of participants of the PNC Retirement Savings Plan, which was merged into the Plan in September 2001. The aforementioned shares shall be treated, for purposes of the Settlement, no differently than shares purchased on the open market. Plaintiffs' Co-Lead Counsel believe that this will treat the Plan and its participants and their beneficiaries the same as other Class Members.

18. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant's claim or any claim submitted in connection with the PNC Settlement, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that Claimant's status as a Class Member and the validity and amount of the Claimant's claim. No discovery shall be allowed on the merits of the Litigation or Settlement in connection with processing of the Proofs of Claim.

19. Payment pursuant to this Stipulation shall be deemed final and conclusive against all Class Members. All Class Members whose claims are not approved by the Court shall be barred from participating in distributions from the E&Y Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Final Order and Judgment to be entered in the Litigation and the releases provided for herein, and will be barred from bringing any action against the Released Parties concerning the Settled Claims.

20. All proceedings with respect to the administration, processing and determination of claims described by ¶ 16 of this Stipulation and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court.

21. The E&Y Net Settlement Fund shall be distributed to Authorized Claimants by the Claims Administrator only after the Effective Date and after: (i) all Claims have been processed, and all Claimants whose Claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to be heard concerning such rejection or disallowance; (ii) all objections with respect to all rejected or disallowed claims have been resolved by the Court, and all appeals therefrom have been resolved or the time therefor has expired; (iii) all matters with respect to attorneys' fees, costs, and disbursements have been resolved by the Court, all appeals therefrom have been resolved or the time therefor has expired; and (iv) all costs of administration have been paid.

TERMS OF ORDER FOR NOTICE AND HEARING

22. Promptly after this Stipulation has been fully executed, Plaintiffs' Co-Lead Counsel and Defendant's Counsel jointly shall apply to the Court for entry of an Order for Notice and Hearing, substantially in the form annexed hereto as Exhibit A.

TERMS OF FINAL ORDER AND JUDGMENT

23. If the Settlement contemplated by this Stipulation is approved by the Court, counsel for the Parties shall request that the Court enter a Final Order and Judgment substantially in the form annexed hereto as Exhibit B.

SUPPLEMENTAL AGREEMENT

24. Simultaneously herewith, Plaintiffs' Co-Lead Counsel and Defendant's Counsel are executing a "Supplemental Agreement" setting forth (i) certain conditions under which this Settlement may be terminated by E&Y if potential Class Members who, during the Class Period, purchased, in the aggregate, in excess of a certain percentage of the shares of PNC common stock purchased during the Class Period (the "Termination Threshold") exclude themselves from the Class; and (ii) an additional matter related to the releases addressed in ¶ 3(c) herein. The Supplemental Agreement shall not be filed prior to the Settlement Fairness Hearing unless a dispute arises as to its terms. In the event of a termination of this Settlement pursuant to the Supplemental Agreement, this Stipulation shall become null and void and of no further force and effect and the provisions of ¶ 27 shall apply. Notwithstanding the foregoing, the Stipulation shall not become null and void as a result of the election by E&Y to exercise its option to terminate the Stipulation pursuant to the Supplemental Agreement until the conditions set forth in the Supplemental Agreement have been satisfied.

EFFECTIVE DATE OF SETTLEMENT, WAIVER OR TERMINATION

25. The Effective Date of Settlement shall be the date when the following shall have occurred:

(a) approval by the Court of the Settlement, following notice to the Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure; and

(b) entry by the Court of a Final Order and Judgment, substantially in the form set forth in Exhibit B annexed hereto, and such Final Order and Judgment becoming a Final Order, or, in the event that the Court enters a final order and judgment in a form other than that

provided above (“Alternative Judgment”) and neither of the Parties hereto elects to terminate this Settlement, the date that such Alternative Judgment becomes a Final Order.

26. Defendant’s Counsel or Plaintiffs’ Co-Lead Counsel shall have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so (“Termination Notice”) to the other Party hereto within thirty (30) days of: (a) the Court’s declining to enter the Order for Notice and Hearing in any material respect; (b) the Court’s refusal to approve this Stipulation or any material part of it; (c) the Court’s declining to enter a Final Order and Judgment substantially in the form set forth in Exhibit B annexed hereto; (d) the date upon which the Final Order and Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court; or (e) the date upon which an Alternative Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court.

27. Except as otherwise provided herein and in the Supplemental Agreement, in the event the Settlement is terminated or fails to become effective for any reason, then the Parties to this Stipulation shall be deemed to have reverted to their respective status in the Litigation prior to October 10, 2006 (the date on or about which the Parties executed their Memorandum of Understanding) and, except as otherwise expressly provided, the Parties shall proceed in all respects as if this Stipulation and any related orders had never been entered, and any portion of the E&Y Settlement Amount previously paid by E&Y, together with any interest earned thereon, less any Taxes due with respect to such income and any costs and expenses incurred by identifying Class Members and effectuating Notice and Publication to the Class, pursuant to ¶ 9, shall be returned to E&Y within ten (10) business days of receipt by Plaintiffs’ Co-Lead Counsel or Defendant’s Counsel of Termination Notice from the other Party.

NO ADMISSION OF WRONGDOING

28. Whether or not the Settlement is consummated, this Stipulation and any proceedings taken pursuant to it:

(a) shall not be offered or received against E&Y as evidence of or construed as or deemed to be evidence of any presumption, concession, or admission by E&Y with respect to the truth of any fact alleged by any of Lead Plaintiffs, the Class, or any Class Member, or the validity of any claim that has been or could have been asserted in the Litigation or in any litigation, or the deficiency of any defense that has been or could have been asserted in the Litigation or in any litigation, or of any liability, negligence, fault, or wrongdoing of E&Y;

(b) shall not be offered or received against E&Y as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by E&Y;

(c) shall not be offered or received against E&Y as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against E&Y in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation; provided, however, that if this Stipulation is approved by the Court, E&Y may refer to it to effectuate the liability protection granted it hereunder;

(d) shall not be construed against E&Y as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered from E&Y after trial; and

(e) shall not be construed as or received in evidence as an admission, concession or presumption against Lead Plaintiffs or any of the Class Members that any of their claims are without merit, or that any defense asserted by E&Y has any merit, or that damages recoverable under the Complaints would not have exceeded the E&Y Gross Settlement Fund.

MISCELLANEOUS PROVISIONS

29. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

30. E&Y warrants that it was not insolvent at the time of payment of the E&Y Settlement Amount pursuant to ¶ 4 above, and that the payment of the E&Y Settlement Amount did not render it insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including §§ 101 and 547 thereof. This warranty is made by E&Y and not Defendant's Counsel.

31. If a case is commenced in respect of E&Y under Title 11 of the United States Code (Bankruptcy), or a trustee, receiver or conservator is appointed under any similar law, and in the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money to the E&Y Gross Settlement Fund or any portion thereof by E&Y to be a preference, voidable transfer, fraudulent transfer or similar transaction and any portion thereof is required to be returned, and such amount is not promptly deposited to the E&Y Gross Settlement Fund by others, then, at the election of Plaintiffs' Co-Lead Counsel, the Parties shall jointly move the Court to vacate and set aside the releases given and Final Order and Judgment entered pursuant to this Stipulation, which releases and Final Order and Judgment shall be null and void, and the Parties shall be restored to their respective positions in the Litigation prior to October 10, 2006 (the date on or about which the Parties executed their Memorandum of Understanding) and

the E&Y Gross Settlement Fund, less any amounts paid or payable from the E&Y Settlement Amount pursuant to ¶¶ 7 (taxes only) and 9, shall be returned as provided in ¶ 27 above.

32. The Parties to this Stipulation intend the Settlement to be a final and complete resolution of the Litigation and all related disputes. Accordingly, Lead Plaintiffs and E&Y agree not to assert in any forum that the Litigation was brought by plaintiffs or defended by E&Y in bad faith or without a reasonable basis. The Parties hereto shall assert no claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the prosecution, defense, or settlement of the Litigation. The Parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's length in good faith by the Parties, and reflect a settlement that was reached voluntarily after consultation with experienced legal counsel.

33. This Stipulation may not be modified or amended, nor may any of its provisions be waived except by a writing signed by the Parties hereto or their successors-in-interest.

34. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

35. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and expenses to Plaintiffs' Co-Lead Counsel and enforcing the terms of this Stipulation. The Parties to this Stipulation recognize and consent to the jurisdiction of this Court with respect to all matters relating to this Litigation and the Settlement.

36. The waiver by one party of any breach of this Stipulation by the other party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

37. This Stipulation and its exhibits and the Supplemental Agreement constitute the entire agreement between the Parties concerning the Settlement of the Litigation, and no representations, warranties, or inducements have been made by any Party concerning this Stipulation and its exhibits and the Supplemental Agreement other than those contained and memorialized in such documents.

38. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties shall exchange among themselves original signed counterparts.

39. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

40. The construction, interpretation, operation, effect and validity of this Stipulation, and all documents necessary to effectuate it, shall be governed by the internal laws of the Commonwealth of Pennsylvania without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

41. This Stipulation shall not be construed more strictly against one party than the other merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations between the Parties and each of the Parties has contributed substantially and materially to the preparation of this Stipulation.

42. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

43. Plaintiffs' Co-Lead Counsel and Defendant's Counsel agree to cooperate fully with one another in seeking Court approval of the Order for Notice and Hearing, the Stipulation and the Settlement, and to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the District Court of the Settlement.

DATED: December 19, 2006

**MILBERG WEISS BERSHAD
& SCHULMAN LLP**

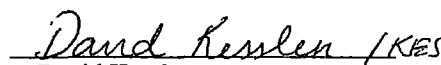
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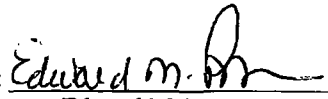
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Counsel for Defendant Ernst & Young LLP

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

**IN RE PNC FINANCIAL SERVICES
GROUP, INC. SECURITIES
LITIGATION**

Case No. 02-CV-271

JUDGE CERCONE

**THIS DOCUMENT RELATES TO ALL
ACTIONS**

**[PROPOSED] PRELIMINARY ORDER FOR NOTICE AND HEARING
IN CONNECTION WITH SETTLEMENT PROCEEDINGS**

WHEREAS, on December 19, 2006, Lead Plaintiffs Specialists DPM, LLC, Teamsters Local 272 Labor & Management Pension Fund, Joint Industry-Engineers Union Local 30 Pension Fund, and Teamsters Local 210 Pension Fund (collectively, “Lead Plaintiffs”) on behalf of themselves and the Class (as herein defined), by and through their attorneys Milberg Weiss Bershad & Schulman LLP, Schiffrin & Barroway, LLP and Schoengold Sporn Laitman & Lometti, P.C. (collectively, “Plaintiffs’ Co-Lead Counsel”) and Defendant Ernst & Young LLP (“Defendant” or “E&Y”), by and through its attorneys (“Defendant’s Counsel”), in the above-entitled action (the “Litigation”), entered into a Stipulation and Agreement of Settlement (the “Stipulation”) which is subject to review under Rule 23 of the Federal Rules of Civil Procedure and which, together with the exhibits thereto, sets forth the terms and conditions for the proposed settlement of the claims alleged in the Litigation as against E&Y on the merits and with prejudice; and the Court having read and considered the Stipulation and the accompanying documents; and the Parties to the Stipulation having consented to the entry of this Order; and all capitalized terms used herein having the meanings defined in the Stipulation; and

WHEREAS, for purposes of the PNC Settlement only, the Court previously certified this Litigation as a class action, pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil

Procedure, on behalf of all persons who purchased PNC Financial Services Group, Inc. (“PNC”) common stock, who purchased call options on PNC common stock, or who wrote (sold) put options on PNC common stock, from July 19, 2001 through July 18, 2002 inclusive (the “Class Period”), and the PNC Incentive Savings Plan on behalf of itself and its present and former participants and beneficiaries who purchased or otherwise acquired PNC common stock during the Class Period through the PNC Incentive Savings Plan. Excluded from the settlement class in the PNC Settlement were all Defendants in the Litigation, AIG Financial Products Corp., Arnold & Porter LLP, and Buchanan Ingersoll PC, any entity in which any Defendant, AIG Financial Products Corp., Arnold & Porter LLP, or Buchanan Ingersoll PC has a controlling interest or which is a parent or subsidiary of or is controlled by any Defendant, AIG Financial Products Corp., Arnold & Porter LLP, or Buchanan Ingersoll PC, and the officers, directors, partners, members, employees, affiliates, legal representatives, heirs, predecessors, successors and assigns of any of the Defendants, AIG Financial Products Corp., Arnold & Porter LLP, or Buchanan Ingersoll PC, except that this exclusion shall not apply to persons in their capacity as present or former participants in or beneficiaries of the PNC Incentive Savings Plan. Also excluded from the settlement class in the PNC Settlement were the persons and/or entities who excluded themselves from the settlement class as set forth at Exhibit 1 of the Court’s July 13th Order and Final Judgment entered in connection with the PNC Settlement; and

WHEREAS, for purposes of the PNC Settlement only, the Court previously certified as Class Representatives, pursuant to Rule 23 of the Federal Rules of Civil Procedure, Lead Plaintiffs Specialists DPM, LLC, Teamsters Local 272 Labor & Management Pension Fund, Joint Industry-Engineers Union Local 30 Pension Fund, and Teamsters Local 210 Pension Fund;

WHEREAS, in accordance with the PNC Settlement, the Court previously approved the proposed Plan of Allocation for the distribution of the Net Settlement Fund (the “PNC Net Settlement Fund”) and the Net Restitution Fund (as such terms are defined in the Stipulation and Agreement of Settlement with PNC Defendants, with AIG Financial Products Corp., with Arnold & Porter LLP, and with Buchanan Ingersoll PC (the “PNC Settlement” or the “PNC Stipulation”) and the same Plan of Allocation is being utilized in connection with this Settlement;

WHEREAS, Louis W. Fryman, in his position as trustee of the Restitution Fund, has consented to allow Authorized Claimants who file Proofs of Claim in accordance with the instructions set forth herein to participate in the distribution of the Net Restitution Fund;

WHEREAS, pursuant to this Court’s July 13th Order and Final Judgment (§ 24) and the PNC Stipulation (§ 16(b)), the Court has the authority to extend the deadline in which to file Proofs of Claim in connection with the PNC Settlement, such that any newly filed Proofs of Claim in accordance with the instructions set forth herein, would also be permitted to participate in the PNC Net Settlement Fund;

NOW, THEREFORE, IT IS HEREBY ORDERED, this ____ day of _____, ____ that:

1. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, and for the purposes of this Settlement only, the Litigation is hereby certified as a class action on behalf of all persons who purchased PNC Financial Services Group, Inc. (“PNC”) common stock, who purchased call options on PNC common stock, or who wrote (sold) put options on PNC common stock, from July 19, 2001 through July 18, 2002 inclusive (the “Class Period”), and the PNC Incentive Savings Plan on behalf of itself and its present and former participants

and beneficiaries who purchased or otherwise acquired PNC common stock during the Class Period through the PNC Incentive Savings Plan. Excluded from the Class are all Defendants in the Litigation, AIG Financial Products Corp. (“AIG-FP”), Arnold & Porter LLP (“A&P”) and Buchanan Ingersoll PC (“BI”), any entity in which any Defendant, AIG-FP, A&P or BI has a controlling interest or which is a parent or subsidiary of or is controlled by any Defendant, AIG-FP, A&P or BI, and the officers, directors, partners, members, employees, affiliates, legal representatives, heirs, predecessors, successors and assigns of any of the Defendants, AIG-FP, A&P or BI, except that this exclusion shall not apply to persons in their capacity as present or former participants in or beneficiaries of the PNC Incentive Savings Plan. Also excluded from the Class are any putative Class Members who exclude themselves by filing a timely request for exclusion in the manner directed by the Court and any putative Class Member who previously excluded himself, herself or itself in connection with the PNC Settlement.

2. The Court finds, for the purposes of this Settlement only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of Lead Plaintiffs are typical of the claims of the Class they seek to represent; (d) Lead Plaintiffs and Plaintiffs’ Co-Lead Counsel will fairly and adequately represent the interests of the Class; (e) the questions of law and fact common to the Class Members predominate over any questions affecting only individual Class Members; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of this Settlement only, Lead Plaintiffs Specialists DPM, LLC, Teamsters Local 272 Labor &

Management Pension Fund, Joint Industry-Engineers Union Local 30 Pension Fund, and Teamsters Local 210 Pension Fund are certified as Class Representatives.

4. A hearing (the “Settlement Fairness Hearing”) pursuant to Rule 23(e) of the Federal Rules of Civil Procedure is hereby scheduled to be held before the Court on _____, 2007, at ____:____ __.m. for the following purposes:¹

(a) to finally determine whether, for purposes of this Settlement, the Litigation satisfies the applicable prerequisites for class action treatment under Rules 23(a) and (b) of the Federal Rules of Civil Procedure;

(b) to determine whether the proposed Settlement is fair, reasonable and adequate, and should be approved by the Court;

(c) to determine whether the proposed Order and Final Judgment as provided under the Stipulation should be entered, dismissing the Complaint filed herein, on the merits and with prejudice as against E&Y, and to determine whether the release by the Class of the Settled Claims, as set forth in the Stipulation, should be provided to the Released Parties;

(d) to consider Plaintiffs’ Co-Lead Counsel’s motion for an award of attorneys’ fees and expenses; and

(e) to rule upon such other matters as the Court may deem appropriate.

5. The Court reserves the right to approve the Settlement with or without modification and with or without further notice of any kind. The Court further reserves the right

¹ The proposed Plan of Allocation is identical to that which was already approved by the Court in connection with the PNC Settlement and need not be ruled upon again by this Court.

to enter its Final Order and Judgment approving the Stipulation and dismissing the Complaint as against the Defendant on the merits and with prejudice regardless of whether it has awarded attorneys' fees and expenses.

6. The Court approves the form, substance and requirements of the Notice and Proof of Claim form, annexed hereto as Exhibits 1 and 2.

7. The Court approves the appointment of Louis W. Fryman as the Claims Administrator and his retention of RSM McGladrey, Inc. as the claims processing agent. The Claims Administrator shall cause the Notice, substantially in the form annexed hereto, to be mailed, by first-class mail, postage prepaid, on or before ten (10) days following the entry of this order to all Class Members who can be identified with reasonable effort, including all persons who were previously mailed the notice of pendency and settlement in connection with the PNC Settlement, except for those persons who previously requested exclusion.

8. The Claims Administrator shall use reasonable efforts to give notice to nominee owners such as brokerage firms and other persons who purchased or otherwise acquired PNC common stock, or who purchased call options on PNC common stock, or who wrote (sold) put options on PNC common stock during the Class Period as record owners but not as beneficial owners. Such nominees are directed, within seven (7) days of receipt of the Notice, to either forward copies of the Notice to their beneficial owners or to provide the Claims Administrator with lists of the names and addresses of the beneficial owners, and the Claims Administrator is ordered to send the Notice promptly to such beneficial owners. Nominee purchasers who elect to send the Notice to their beneficial owners shall send a statement to the Claims Administrator confirming that the mailing was made as directed.

9. Additional copies of the Notice shall be made available to any record holder requesting such for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the E&Y Gross Settlement Fund, upon receipt by the Claims Administrator of proper documentation, for the reasonable expense of sending the Notice to beneficial owners. Plaintiffs' Co-Lead Counsel shall, at or before the Settlement Fairness Hearing, file with the Court proof of mailing of the Notice.

10. The Court shall deem as timely submitted for purposes of this Settlement, any valid Proof of Claim form that was submitted in connection with the PNC Settlement.

11. The Court finds that it is not necessary to include Proof of Claim forms along with the Notice in light of the following: (i) Proof of Claim forms that were submitted in connection with the PNC Settlement are being accepted for purposes of this Settlement such that it is unnecessary to file a second Proof of Claim form; (ii) Proof of Claim forms are available to be downloaded from a website maintained by the Claims Administrator or can be obtained from Plaintiffs' Co-Lead Counsel; and (iii) the cost of printing and mailing Proof of Claim forms outweighs their benefit to the Class under the aforementioned circumstances.

12. The Proof of Claim form shall be provided by first-class mail to any Class Member requesting one. The Proof of Claim form shall also be made available on the website for the Settlement.

13. The Court approves the form of Summary Notice of Proposed Settlement of Class Action With Remaining Defendant Ernst & Young LLP and Settlement Hearing ("Summary Notice") in substantially the form and content annexed hereto as Exhibit 3 and directs that Plaintiffs' Co-Lead Counsel shall cause the Summary Notice to be published in the national

edition of *The Wall Street Journal* within ten (10) calendar days of the mailing of the Notice. Plaintiffs' Co-Lead Counsel shall, at or before the Settlement Fairness Hearing, file with the Court proof of publication of the Summary Notice.

14. The form and content of the Notice, and the method set forth herein of notifying the Class of the Settlement and its terms and conditions, meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the PSLRA, and due process, constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons and entities entitled thereto.

15. In order to be entitled to participate in the E&Y Net Settlement Fund, in the event the Settlement is effected in accordance with all of the terms and conditions set forth in the Stipulation, each Class Member shall take the following actions and be subject to the following conditions:

(a) If a properly executed Proof of Claim was previously submitted in connection with the PNC Settlement, then the submission of that Proof of Claim will fulfill all of the requirements set forth herein for the submission of a Proof of Claim.

(b) If a properly executed Proof of Claim was not previously submitted in connection with the PNC Settlement, then a properly executed Proof of Claim, substantially in the form attached hereto as Exhibit 2, must be submitted to the Claims Administrator, at the Post Office Box indicated in the Notice, postmarked not later than _____, 2007. Such deadline may be further extended by Court order. Each Proof of Claim shall be deemed to have been submitted when postmarked (if properly addressed and mailed by first-class mail, postage

prepaid) provided such Proof of Claim is actually received prior to the motion for an order of the Court approving distribution of the Net Settlement Fund. Any Proof of Claim submitted in any other manner shall be deemed to have been submitted when it was actually received at the address designated in the Notice.

(c) The Proof of Claim submitted by each Class Member must satisfy the following conditions: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by the Claims Administrator; (iii) if the person executing the Proof of Claim is acting in a representative capacity, a certification of his current authority to act on behalf of the Class Member must be included in the Proof of Claim; and (iv) the Proof of Claim must be complete and contain no material deletions or modifications of any of the printed matter contained therein and must be signed under penalty of perjury.

(d) As part of the Proof of Claim, each Class Member (including those whose previously submitted Proof of Claim in connection with the PNC Settlement is deemed a submission in this Settlement) shall submit to the jurisdiction of the Court with respect to the claim submitted, and shall (subject to effectuation of the Settlement) release all Settled Claims as provided in the Stipulation.

(e) Proof of Claim forms submitted in accordance with the instructions set forth above, shall entitle the Authorized Claimant to participate in the E&Y Net Settlement Fund, the PNC Net Settlement Fund and the Net Restitution Fund.

16. Class Members shall be bound by all determinations and judgments in this Litigation, whether favorable or unfavorable, unless they now request exclusion from the Class in a timely and proper manner, as hereinafter provided. A Class Member wishing to make such request shall mail the request in written form by first class mail postmarked no later than _____, 2007 to the address designated in the Notice. Such request for exclusion shall clearly indicate the name, address and telephone number of the person or entity seeking exclusion, that the sender “requests to be excluded from the Class in the PNC Securities Litigation Settlement,” and must be signed by such person or entity. Class Members requesting exclusion are also directed to state: the date(s), price(s), and number(s) of shares of all purchase(s), acquisition(s) and sale(s) of PNC common stock and put and call options during the Class Period. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court. Anyone who excluded themselves in connection with the PNC Settlement does not need to exclude themselves again, as they are no longer part of the Class.

17. Class Members who validly request exclusion from the Class shall not be entitled to receive any payment out of the E&Y Net Settlement Fund as described in the Stipulation and Notice.

18. The Court will consider objections to the Settlement and the request for an award of attorneys’ fees and reimbursement of expenses only if such objections and any supporting

papers are filed in writing with the Clerk of the Court, United States District Court for the Western District of Pennsylvania, United States Post Office and Courthouse, Seventh Avenue and Grant Street, Pittsburgh, PA 15219 and copies of all such papers are served, on or before _____, 2007, upon each of the following: Barry Weprin, Esq., Milberg Weiss Bershad & Schulman LLP, One Pennsylvania Plaza, New York, NY 10119-0165; David Kessler, Esq., Schiffrin & Barroway, LLP, 280 King of Prussia Road, Radnor, PA 19087; and Jay P. Saltzman, Esq., Schoengold Sporn Laitman & Lometti, P.C., 19 Fulton Street, Suite 406, New York, NY 10038, on behalf of Lead Plaintiffs and the Class; and Edward M. Posner, Esq., Drinker Biddle & Reath LLP, One Logan Square, 18th & Cherry Streets, Philadelphia, PA 19103-6996, on behalf of E&Y. Attendance at the hearing is not necessary; however, persons wishing to be heard orally in opposition to the approval of the Settlement or the request for attorneys' fees and reimbursement of expenses are required to indicate in their written objection their intention to appear at the hearing. Persons who intend to object to the Settlement or Plaintiffs' Co-Lead Counsel's application for an award of attorneys' fees and expenses and desire to present evidence at the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

19. Pending final determination of whether the Settlement should be approved, Lead Plaintiffs, the Class, and all Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not institute, commence or prosecute any action which asserts Settled Claims against any Released Party.

20. As provided in ¶ 9 of the Stipulation, Plaintiffs' Co-Lead Counsel may pay the Claims Administrator the reasonable and customary fees and costs associated with giving notice to the Class out of the E&Y Gross Settlement Fund without further order of the Court.

21. If any specified condition to the Settlement set forth in the Stipulation is not satisfied and Defendant's Counsel or Plaintiffs' Co-Lead Counsel elects to terminate the Settlement as provided in ¶ 26 of the Stipulation, then, in any such event, the Stipulation, including any amendment(s) thereof, and this preliminary order certifying the Class and the Class Representatives for purposes of the Settlement shall be null and void, of no further force or effect, and without prejudice to any party, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and the Parties to the Stipulation shall be deemed to have reverted to their respective status in the Litigation prior to October 10, 2006 (the date on or about which the Parties executed the Memorandum of Understanding).

22. The Court retains exclusive jurisdiction over the Litigation to consider all further matters arising out of or connected with the Settlement.

Dated: Pittsburgh, PA, _____

THE HONORABLE DAVID S. CERONE
UNITED STATES DISTRICT JUDGE

IMPORTANT LEGAL NOTICE

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

| | | |
|-------------------------------------|---|---------------------------|
| IN RE PNC FINANCIAL SERVICES | : | Case No. 02-CV-271 |
| GROUP, INC. SECURITIES | : | |
| LITIGATION | : | JUDGE CERCONE |
| | : | |

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| THIS DOCUMENT RELATES TO ALL | : | |
| ACTIONS | : | |

**NOTICE OF PROPOSED SETTLEMENT WITH REMAINING DEFENDANT
ERNST & YOUNG LLP AND MOTION FOR ATTORNEYS' FEES
AND SETTLEMENT FAIRNESS HEARING**

TO: ALL PERSONS WHO PURCHASED PNC FINANCIAL SERVICES GROUP, INC. ("PNC") COMMON STOCK, WHO PURCHASED CALL OPTIONS ON PNC COMMON STOCK, OR WHO WROTE (SOLD) PUT OPTIONS ON PNC COMMON STOCK, FROM JULY 19, 2001 THROUGH JULY 18, 2002 INCLUSIVE (THE "CLASS PERIOD"), AND THE PNC INCENTIVE SAVINGS PLAN ON BEHALF OF ITSELF AND ITS PRESENT AND FORMER PARTICIPANTS AND BENEFICIARIES WHO PURCHASED OR OTHERWISE ACQUIRED PNC COMMON STOCK DURING THE CLASS PERIOD THROUGH THE PNC INCENTIVE SAVINGS PLAN (THE "CLASS").

YOU HAVE NOT BEEN SUED

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

- A proposed settlement with Ernst & Young LLP (the "E&Y Settlement") will provide a \$9,075,000 settlement fund for the benefit of the above Class (the "E&Y Settlement Fund"). The E&Y Settlement will resolve this lawsuit as against E&Y, PNC's outside auditor during the Class Period. The lawsuit alleged that E&Y participated in a scheme to defraud PNC's investors about PNC's financial results.
- The E&Y Settlement is in addition to the prior \$36,600,000 settlement with PNC, certain of its officers and directors and certain third parties (the "PNC Settlement"). The PNC Settlement is described in a Notice dated April 22, 2005 previously distributed to the Class. By Order dated July 13, 2006, the United States District Court for the Western District of Pennsylvania (the "Court") approved the PNC Settlement, leaving E&Y as the sole remaining Defendant. E&Y appealed the order approving the PNC Settlement.

- If the E&Y Settlement is approved, it will both resolve this litigation as against E&Y and allow the dismissal of the appeal of the PNC Settlement, permitting the PNC Settlement to become effective.
- In addition to the settlement funds from the PNC Settlement and the E&Y Settlement, Class Members herein who now submit (or who have already submitted) acceptable Proofs of Claim, will be entitled to share in a \$156,000,000 Restitution Fund paid by PNC ICLC Corp. and AIG Financial Products Corp. pursuant to agreements they entered into on behalf of themselves or their affiliated entities with the United States Department of Justice and/or the Securities and Exchange Commission (the “Restitution Fund”).
- **IF YOU HAVE ALREADY SUBMITTED A VALID PROOF OF CLAIM FORM IN CONNECTION WITH THE PNC SETTLEMENT, YOU DO NOT NEED TO SUBMIT ANOTHER CLAIM FORM IN ORDER TO PARTICIPATE IN THE E&Y SETTLEMENT, THE PNC SETTLEMENT AND THE RESTITUTION FUND.**
- **IF YOU HAVE NOT YET SUBMITTED A VALID PROOF OF CLAIM FORM IN CONNECTION WITH THE PNC SETTLEMENT, YOU MUST SUBMIT A PROOF OF CLAIM FORM NOW IN ORDER TO PARTICIPATE IN THE E&Y SETTLEMENT, THE PNC SETTLEMENT AND THE RESTITUTION FUND.**
- This notice explains important rights you may have as a member of the Class. If you are a member of the Class, your legal rights are affected whether you act, or do not act. Please read this notice carefully!

| YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT: | |
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| SUBMIT A CLAIM FORM BY _____, 2007 | <p>If you HAVE NOT already submitted a Proof of Claim in connection with the PNC Settlement, do so now, as this is the only way to receive payments in connection with the E&Y Settlement, the PNC Settlement and the Restitution Fund. <i>See</i> Question 12 below.</p> <p>If you HAVE already submitted a valid Proof of Claim form in connection with the PNC Settlement, you do not need to submit another Proof of Claim form to participate. <i>See</i> Question 11 below.</p> |
| EXCLUDE YOURSELF BY _____, 2007 | <p>If you request to be excluded at this time, you will receive no payment from the E&Y Settlement Fund. This is the only option that allows you to ever be part of any other lawsuit against E&Y or the other E&Y Released Parties in the E&Y Settlement concerning the legal claims being released in the E&Y Settlement. You may not now request exclusion with respect to the PNC Settlement. <i>See</i> Questions 15-20 below.</p> |

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| OBJECT BY _____, 2007 | Write to the Court about why you do not like the E&Y Settlement or the request for attorneys' fees and reimbursement of expenses. <i>See</i> Questions 23-27 below. |
| GO TO THE HEARING ON _____, 2007 | Ask to speak in Court about the fairness of the E&Y Settlement. <i>See</i> Question 27 below. |
| DO NOTHING AGAIN | If you have yet to submit a valid Proof of Claim form in connection with the prior PNC Settlement and do not respond to this Notice by submitting a Proof of Claim form, you will receive no payment from (i) the Restitution Fund, (ii) the PNC Settlement Fund, or (iii) the E&Y Settlement Fund. And you will give up your right to file your own lawsuit or participate in any other lawsuit against E&Y or the E&Y Released Parties concerning the legal claims being released in the E&Y Settlement. <i>See</i> Question 28 below. |

- These rights and options - **and the deadlines to exercise them** - are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after appeals are resolved. Please be patient.

SUMMARY NOTICE

Statement of Plaintiff Recovery

Pursuant to the E&Y Settlement described herein, a settlement fund consisting of \$9,075,000 in cash, plus interest, has been established. The E&Y Settlement is in addition to the \$36,600,000 PNC Settlement described in the Notice of Pendency of Class Action and Proposed Settlement with Certain Defendants, Motion for Attorneys' Fees and Settlement Fairness Hearing, and Notice of Proposed Plan of Distribution of Restitution Fund dated April 22, 2005 (the "Prior Settlement Notice") and approved by the Court by an Order and Final Judgment dated July 13, 2006.

Plaintiffs estimate that there were approximately 284 million shares of PNC common stock traded during the Class Period which may have been damaged.

In the Prior Settlement Notice, Plaintiffs estimated that the average recovery per damaged share of PNC common stock under the settlement is 12.9¢ per damaged share¹ before deduction of Court-awarded attorneys' fees and expenses. Plaintiffs estimate that the average recovery per damaged share of PNC common stock under the E&Y Settlement is an additional 3.2¢ per damaged share before deduction of Court-awarded attorneys' fees and expenses. Thus, Plaintiffs

¹ An allegedly damaged share might have been traded more than once during the Class Period, and the indicated average recovery would be the total for all purchasers of that share.

estimate that the total average recovery per damaged share under the two settlements is 16.1¢ per damaged share before deduction of Court-awarded attorneys' fees and expenses.

Class Members who transacted in options on PNC common stock may also receive a payment from the Settlement Fund, but the various terms of those options and available records concerning such option transactions do not permit a useful estimate to be provided concerning the number of affected options or the recovery on those option transactions. A Class Member's actual recovery will be a proportion of the PNC Settlement Fund and the E&Y Settlement Fund, less attorneys' fees and expenses, and administrative costs ("Net Settlement Funds") determined by his, her or its Recognized Claim as compared to the total Recognized Claims of all Class Members who submit Proofs of Claim that comply with the instructions herein.

In addition to the proceeds of this Settlement, if this Settlement is approved, Class Members and others who submit Proofs of Claim that comply with the instructions herein will share in a \$156 million Restitution Fund funded by PNC ICLC Corp., an indirect non-bank subsidiary of PNC, and AIG Financial Products Corp. under the terms of (i) PNC ICLC Corp.'s, AIG Financial Products Corp.'s, and AIG-FP PAGIC Equity Holding Corp.'s agreements with the United States Department of Justice, Criminal Division, Fraud Section and (ii) the Securities and Exchange Commission's judgment against American International Group Inc. Investigations into this matter by the federal government are ongoing and other restitution payments could be made by other parties into the Restitution Fund.

Statement of Potential Outcome of Case

The parties disagree on both liability and damages and do not agree on the average amount of damages per share that would be recoverable if plaintiffs were to have prevailed on each claim alleged. E&Y denies that it is liable to Lead Plaintiffs or the Class in this action and denies that the plaintiffs or the Class have suffered any damages.

Statement of Attorneys' Fees and Costs Sought

Plaintiffs' Co-Lead Counsel have not received any fees in connection with the litigation against E&Y and are moving the Court to award attorneys' fees in an amount not greater than twenty-eight (28%) of the gross E&Y Settlement Fund, and for reimbursement of expenses incurred in connection with the prosecution of this action in the approximate amount of \$150,000. The requested fees and expenses relating to the E&Y Settlement would amount to less than 1¢ per damaged share in total for fees and expenses.

Plaintiffs' Co-Lead Counsel has already been awarded fees of 28% of the PNC Settlement Fund and reimbursement of expenses in the amount of \$239,145.16 in connection with the PNC Settlement. Plaintiffs' Co-Lead Counsel have not, and will not, receive any fees in connection with the Restitution Fund.

Plaintiffs' Co-Lead Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis, and have advanced the expenses of the litigation in the expectation that, if they were successful in obtaining a recovery for the Class, they would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees.

Further Information

Further information regarding the Litigation and this Notice may be obtained by contacting Plaintiffs' Counsel: Barry Weprin, Esq., Milberg Weiss Bershad & Schulman LLP, One Pennsylvania Plaza, New York, NY 10119-0165, Telephone: (212) 594-5300; David Kessler, Esq., Schiffrin & Barroway, LLP, 280 King of Prussia Road, Radnor, PA 19087, Telephone: (610) 667-7706; and Jay P. Saltzman, Esq., Schoengold Sporn Laitman & Lometti, P.C., 19 Fulton Street, Suite 406, New York, NY 10038, Telephone: (212) 964-0046.

Reasons for the Settlement

For Lead Plaintiffs, the principal reason for the E&Y Settlement is to provide an immediate benefit to the Class and to eliminate the possibility that the PNC Settlement could be overturned in the event that E&Y's appeal is successful (the Court had overruled E&Y's objections to the bar orders and Plan of Allocation). This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future.

For E&Y, who denies all allegations of wrongdoing or liability whatsoever, the principal reason for the settlement is to eliminate the expense, risks, and uncertain outcome of the litigation.

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| WHAT THIS NOTICE CONTAINS |
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Table of Contents

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| 1. Why did I receive this notice? |
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You or someone in your family may have purchased shares of PNC common stock, purchased call options on PNC common stock, or written (sold) put options on PNC common stock during the period from July 19, 2001 through and including July 18, 2002 (the "Class Period"). Class Members should already have received the Prior Settlement Notice and a Proof of Claim form describing this litigation and a prior settlement.

The Court directed that this Notice be sent to Class Members because they have a right to know about a proposed additional settlement in this litigation, and about all of their options, before the Court decides whether to approve the E&Y Settlement. If the Court approves the E&Y Settlement and after objections and appeals are resolved, the Claims Administrator appointed by the Court in connection with the PNC Settlement will make the payments that the Settlement allows.

This Notice explains the lawsuit, the E&Y Settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to obtain them.

The Court in charge of the case is the United States District Court for the Western District of Pennsylvania, and the case is known as *In re PNC Financial Services Group, Inc. Securities Litigation*, Case No. 02-CV-271. This case is assigned to United States District Judge David Stewart Cercone. The people who sued are called "plaintiffs", and the persons they sued, PNC and certain of its officers and directors (the "PNC Defendants") and E&Y, are collectively referred to as the "Defendants".

2. What is this class action lawsuit about?

Beginning on February 1, 2002, twelve putative class action lawsuits alleging violations of the federal securities laws were filed in the Court and were subsequently consolidated under the above caption, and are hereinafter referred to as the "Litigation."

The Second Consolidated and Amended Complaint dated March 31, 2005 (the "Complaint") alleges that the PNC Defendants misled investors by intentionally overstating PNC's profits and the amounts that the company expected to earn in the future. The Complaint further alleges that E&Y participated in PNC's scheme to defraud by rendering advice to PNC in connection with the structuring of and accounting for three transactions with special purpose entities sponsored by American International Group, Inc. and/or its affiliates. E&Y denies that it did anything wrong.

In 2004, Lead Plaintiffs, the PNC Defendants, AIG Financial Products Corp. ("AIG-FP"), Arnold & Porter LLP ("A&P"), and Buchanan Ingersoll PC ("BI") began negotiating a settlement of all claims or potential claims against those defendants and third-party entities that ultimately resulted in the creation of a \$36.6 million settlement fund.

In the meantime, Lead Plaintiffs proceeded with their claims against E&Y. E&Y had previously filed a motion to dismiss an earlier complaint, and its motion was pending at the time the PNC Settlement was reached. E&Y objected to certain aspects of the PNC Settlement. Ultimately, on July 13, 2006, the Court approved the PNC Settlement over E&Y's objections. E&Y appealed from the Court's July 13, 2006 Order approving the PNC Settlement. The E&Y Settlement was reached in the course of mediating E&Y's appeal.

3. Why is this action a class action?

In a class action, one or more people called lead plaintiffs or class representatives (in this case, Lead Plaintiffs Specialists DPM, LLC, Teamsters Local 272 Labor & Management Pension Fund, Joint Industry-Engineers Union Local 30 Pension Fund, and Teamsters Local 210 Pension Fund), sue on behalf of people who have similar claims. All these people and/or entities are referred to collectively as a "Class", or individually as "Class Members." One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. Why is there a settlement?

The Court did not decide in favor of Lead Plaintiffs or E&Y. Instead, Lead Plaintiffs and E&Y agreed to settle the claims against E&Y before obtaining final rulings from the Court or a jury in this action. Lead Plaintiffs and their attorneys think the E&Y Settlement is best for all Class

Members. E&Y considers it in E&Y's best interests that the Litigation be dismissed against it under the terms of the proposed E&Y Settlement in order to avoid the further expense, uncertainty and distraction of protracted litigation.

5. What is the Restitution Fund?

The Restitution Fund is a fund established by PNC ICLC Corp. at the federal government's direction pursuant to various statutes, including the Sarbanes-Oxley Act of 2002, to return money collected from alleged wrongdoers to the victims of the alleged wrongdoing. In this case, the Restitution Fund is being distributed simultaneously with, but independent of, the settlement of the Litigation. You need not participate in the settlement of the Litigation in order to participate in the Restitution Fund here, but you must submit a Proof of Claim form in order to participate in the Restitution Fund.

WHO IS IN THE SETTLEMENT

To see if you will receive money from the class action settlement, you first have to decide if you are a Class Member.

6. How do I know if I am part of the E&Y Settlement?

The Court directed, for the purposes of the proposed E&Y Settlement, that everyone who fits this description is a Class Member: *All persons who purchased PNC Financial Services Group, Inc. ("PNC") common stock, who purchased call options on PNC common stock, or who wrote (sold) put options on PNC common stock, from July 19, 2001 through July 18, 2002 inclusive (the "Class Period"), and the PNC Incentive Savings Plan on behalf of itself and its present and former participants and beneficiaries who purchased or otherwise acquired PNC common stock during the Class Period through the PNC Incentive Savings Plan.*

7. Are there exceptions to being included in the Class?

You are not a Class Member if you are one of the Defendants in the Litigation, AIG-FP, Arnold & Porter LLP or Buchanan Ingersoll PC, any entity in which any Defendant, AIG-FP, Arnold & Porter LLP or Buchanan Ingersoll PC has a controlling interest or which is a parent or subsidiary of or is controlled by any Defendant, AIG-FP, Arnold & Porter LLP or Buchanan Ingersoll PC, an officer, director, partner, member, employee, affiliate, legal representative, heir, predecessor, successor or assign of any of the Defendants, AIG-FP, Arnold & Porter LLP or Buchanan Ingersoll PC, except that this exclusion does not apply to persons in their capacity as present or former participants in or beneficiaries of the PNC Incentive Savings Plan.

If you previously excluded yourself from the PNC Settlement, you are not a Class Member for purposes of participating in the E&Y Settlement.

If you own a mutual fund and that mutual fund owns shares of PNC common stock, that alone does not make you a Class Member. You are a Class Member only if you directly purchased shares of PNC common stock, purchased call options on PNC common stock, or wrote (sold) put options on PNC common stock during the Class Period. Contact your broker to see if you purchased shares of PNC common stock, purchased call options on PNC common stock, or wrote (sold) put options on PNC common stock during the Class Period.

If you *sold* PNC common stock, *sold* call options on PNC common stock, or *purchased* put options on PNC common stock during the period from July 19, 2001 through and including July 18, 2002, that alone does not make you a Class Member. You are a Class Member only if you *purchased* PNC common stock, *purchased* call options on PNC common stock, or *wrote (sold)* put options on PNC common stock during the period from July 19, 2001 through and including July 18, 2002.

8. What should I do if I am still not sure whether I am included?

If you are still not sure whether you are included, you can ask for free help. You can call 1-800-789-4720 or visit www.claimsinformation.com for more information. Or you can request, fill out, and return the claim form described in Question 12, to see if you qualify. **If you already submitted a valid Proof of Claim form in connection with the PNC Settlement, you do not need to submit another Proof of Claim form. If you do not recall if you submitted a Proof of Claim form in connection with the PNC Settlement, you can call the toll free number listed above.**

THE SETTLEMENT BENEFITS — WHAT YOU CAN RECEIVE

9. What does the E&Y Settlement provide?

E&Y has agreed to pay \$9,075,000 to the Class, to be divided, after taxes, fees, and expenses, among all Class Members who either submit a valid Proof of Claim form or have already submitted a valid Proof of Claim form in connection with the PNC Settlement. The \$9.075 million settlement amount is in addition to the \$36.6 million paid in connection with the prior PNC Settlement.

In addition to the proceeds of these class settlements, Class Members and others who have submitted (or who now submit) Proofs of Claim that comply with the instructions herein will share in the \$156 million Restitution Fund.

10. How much will my payment be?

Your share of the funds will depend on the number of valid Proof of Claim forms that Class Members send in, how many shares of PNC common stock you bought, the number of call options on PNC common stock you bought, the number of put options on PNC common stock you wrote (sold), and when you bought and sold them.

You can calculate what is called your “Recognized Claim” by following the Plan of Allocation as set forth on page 11 of the Prior Settlement Notice. You will not receive a payment for the entirety of your Recognized Claim as valid Proofs of Claim have already been submitted which exceed the E&Y Settlement Amount. After all Class Members have submitted their Proofs of Claim and these new forms are combined with the existing valid Proofs of Claim submitted in connection with the PNC Settlement, the payment you get will be a part of the Net Settlement Funds for the E&Y Settlement and PNC Settlement, and a part of the net Restitution Fund, equal to your Recognized Claim divided by the total of everyone’s Recognized Claim. However, under the terms of the Deferred Prosecution Agreement dated June 2, 2003 that PNC ICLC Corp. entered into with the United States Department of Justice, claimants may not receive more than

their out-of-pocket loss from the combination of the E&Y Settlement Fund, PNC Settlement Fund, and the Restitution Fund.

If you exclude yourself from the Class with respect to the E&Y Settlement or if you previously excluded yourself from the Class with respect to the PNC Settlement, you may still participate in the Restitution Fund, but your total recovery from just the Restitution Fund will be less than if you participated in all three funds.

HOW YOU GET A PAYMENT — SUBMITTING A CLAIM FORM

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| 11. How can I receive a payment in this Settlement if I already submitted a Proof of Claim form in connection with the PNC Settlement? |
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IF YOU HAVE ALREADY SENT IN AN ACCEPTABLE PROOF OF CLAIM FORM IN CONNECTION WITH THE PNC SETTLEMENT, YOU DO NOT NEED TO DO ANYTHING TO PARTICIPATE IN THE E&Y SETTLEMENT.

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| 12. How can I receive a payment from the E&Y Settlement if I have not yet submitted a Proof of Claim form in connection with the PNC Settlement? |
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If you have not yet sent in a Proof of Claim form in connection with the PNC Settlement, you must send in a Proof of Claim now to qualify for a payment from any of the three funds. You cannot obtain a payment from the PNC Settlement Fund, E&Y Settlement Fund or the Restitution Fund without submitting a Proof of Claim form.

A Proof of Claim form was circulated with the Prior Settlement Notice. You may also get a Proof of Claim form on the Internet at www.claimsinformation.com or request one from Plaintiffs' Co-Lead Counsel or the Claims Administrator. If you did not previously submit a Proof of Claim in connection with the prior PNC Settlement, then please read the instructions carefully, fill out the Proof of Claim form, include all the documents the form asks for, sign it, and mail it postmarked no later than _____, 2007.

The Claims Administrator will process the E&Y Settlement based upon the claims submitted with respect to the prior PNC Settlement, plus any additional Proofs of Claim submitted in connection with this E&Y Settlement. Therefore, if you have already submitted an acceptable Proof of Claim in connection with the prior PNC Settlement, then there is no need to do so again. If you re-submit a claim previously submitted in the prior PNC Settlement, this will be considered a duplicate claim and will not increase your *pro rata* share of the Settlements beyond that due to you based on your original claim.

If you are a present or former participant or beneficiary of the PNC Incentive Savings Plan (the "Plan"), an omnibus Proof of Claim form has already been submitted on your behalf by Independent Fiduciary Services, Inc., with respect to all of your transactions within your Plan account during the Class Period. You will not need to do anything with respect to your transactions within your Plan account during the Class Period.

Employees of PNC are excluded from the definition of the Class. If you are a PNC employee or other excluded person (see Question 7), you may not submit a claim with respect to any purchases of PNC common stock you made directly, including any purchases you made outside

your Plan account. For employees of PNC who are present or former participants or beneficiaries of the Plan, see the previous paragraph.

Lead Plaintiffs, on behalf of the Class, are applying to have the Restitution Fund paid to the Class Members who submit Proofs of Claim that comply with the instructions herein. E&Y does not object to this application. Any funds obtained from the Restitution Fund will be independent of, and not part of, the E&Y Settlement Fund. If the settlements in this Litigation are approved and Lead Plaintiffs' application is successful, the Net Settlement Funds will be distributed to all Authorized Claimants, and Authorized Claimants will also share in the distribution of the Restitution Fund.

13. When will I receive my payment?

The Court will hold a hearing on _____, 2007, to decide whether to approve the E&Y Settlement. Even if the Court approves the E&Y Settlement, it could take more than a year after the hearing before the E&Y Net Settlement Fund is distributed to the Class Members. One reason that it may take more than a year for the E&Y Net Settlement Fund to be distributed is that delays could be caused by the filing of appeals. The other reason that it may take more than a year for the E&Y Net Settlement Fund to be distributed is that once the E&Y Settlement has been approved, and any appeals are resolved, the Claims Administrator must process all of the Proofs of Claim. The processing is a complicated process and will take many months.

14. What am I giving up to receive a payment in the E&Y Settlement?

Unless you previously excluded or now exclude yourself, you are staying in the Class and that means that, upon the "Effective Date," you will release all "Settled Claims" (as defined below) against the "E&Y Released Parties" (as defined below). This means that you no longer have the right to pursue these claims in a court of law against E&Y or any of the E&Y Released Parties.

"Settled Claims" means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class, derivative, or individual in nature, including both known claims and Unknown Claims: (i) that have been asserted in the Litigation by Lead Plaintiffs, the Class, or any Class Member (including but not limited to, for this purpose, the PNC Incentive Savings Plan and any current or former participant or beneficiary of the PNC Incentive Savings Plan) against any of the Released Parties; (ii) that could have been asserted in any forum by Lead Plaintiffs, the Class, or any Class Member (including but not limited to, for this purpose, the PNC Incentive Savings Plan and any current or former participant or beneficiary of the PNC Incentive Savings Plan) against any of the Released Parties, which arise out of, relate to, or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in any of the complaints filed in the Litigation and relate to the acquisition or ownership of shares of, or call or put options on, the common stock of PNC during the Class Period; or (iii) that were asserted by Andrew J. Gosline in his demand letter dated June 10, 2003 ("Gosline Demand Letter") or that were asserted in any other derivative demands that have been made or may be made in connection with the PAGIC transactions that are described in the Second Amended Complaint. Settled Claims shall include

the claims that were assigned to Lead Plaintiffs and the Class under the terms of the December 17, 2004 Memorandum of Understanding and pursuant to Paragraph 11 of the July 13th Final Order.

“E&Y Released Parties” means E&Y, its predecessors, successors and assigns, its past and present parents, subsidiaries, partners, principals, employees, representatives, agents, insurers and reinsurers, and any entity in which E&Y has a controlling interest or which is related to or affiliated with E&Y.

“Unknown Claims” means any and all Settled Claims which any Lead Plaintiff, the Class, or any Class Member (including, but not limited to, for this purpose the PNC Incentive Savings Plan and any current or former participant or beneficiary of the PNC Incentive Savings Plan) does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, and any Settled Defendant’s Claims which E&Y does not know or suspect to exist in its favor, 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 Settled Claims and Settled Defendant’s Claims, the Parties stipulate and agree that upon the Effective Date, Lead Plaintiffs and E&Y shall expressly waive, and each Class Member (including, but not limited to, for this purpose the PNC Incentive Savings Plan and any current or former participant or beneficiary of the PNC Incentive Savings Plan) and Released Party shall be deemed to have waived, and by operation of the Final Order and Judgment shall have expressly waived, 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.

Lead Plaintiffs and E&Y acknowledge, and Class Members and the Released Parties by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Settled Claims and Settled Defendant’s Claims was separately bargained for and was a key element of the Settlement.

The “Effective Date” will occur when an Order entered by the Court approving the Settlement becomes final and not subject to appeal.

If you remain a member of the Class, all of the Court’s orders will apply to you and legally bind you.

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| 15. What am I giving up by participating in the Restitution Fund? |
|---|

You are not giving up anything to participate in the Restitution Fund. Participating solely in the Restitution Fund will not cause you to be bound by the Court’s orders in the class action and you may still pursue any other rights or actions that you may have regarding the Settled Claims against the E&Y Released Parties, but any future recovery you might obtain as a result of your own action may be offset by amounts that you receive from the Restitution Fund.

EXCLUDING YOURSELF FROM THE CLASS AND THE SETTLEMENT

If you submitted a request for exclusion in accordance with the requirements of the Prior Settlement Notice, then you are excluded from the Class (you do not need to exclude yourself again) and may not participate in the class action settlement funds.

If you did not submit a request for exclusion from the PNC Settlement, and you do not want a payment from the E&Y Settlement Fund, but you want to keep the right to sue or continue to pursue any Settled Claim you may have against E&Y and the other E&Y Released Parties, on your own, about the legal issues in this case, then you must take steps to get out. This is called “excluding yourself” or “opting out” of the settlement class. E&Y may withdraw from and terminate the E&Y Settlement if putative Class Members who, during the Class Period, purchased, in the aggregate, in excess of a certain number of shares of PNC common stock, exclude themselves from the Class.

If you exclude yourself from the Class or previously excluded yourself from the Class in connection with the PNC Settlement, you may not receive any payment from the net E&Y Settlement Fund. If you exclude yourself from the Class, you may still submit a Proof of Claim to share in ONLY the Restitution Fund, but your total recovery will be less than if you also had participated in the PNC Settlement Fund and the E&Y Settlement Fund.

If you exclude yourself with respect to the E&Y Settlement, but did not exclude yourself previously, you may still share in the proceeds of the prior PNC Settlement so long as you previously submitted an acceptable Proof of Claim.

| |
|--|
| 16. How do I get out of the Class with respect to the proposed E&Y Settlement? |
|--|

To exclude yourself from the Class with respect to the E&Y Settlement, you must send a letter by mail stating that you “request exclusion from the Class for the E&Y Settlement in the *In re PNC Financial Services Group, Inc. Securities Litigation*.” Your letter should include the date(s), price(s), and number(s) of shares of all purchases and sales of PNC common stock and/or PNC common stock options during the Class Period. In addition, be sure to include your name, address, telephone number, and your signature. You cannot exclude yourself on the telephone or by e-mail. You must mail your exclusion request postmarked no later than _____, 2007 to:

PNC Securities Litigation Exclusions
c/o Louis W. Fryman, Claims Administrator
P.O. Box 1607
Blue Bell, PA 19422

If you exclude yourself from the Class with respect to the E&Y Settlement, you will not be able to participate in the E&Y Settlement, you will not receive a payment from the E&Y Settlement Fund and you will not be able to object to any aspect of the E&Y Settlement. If you exclude

yourself, you will not be legally bound by the releases set forth above, and you may be able to sue (or continue to sue) E&Y or the other E&Y Released Parties.

Persons who exclude themselves now from the Class with respect to the E&Y Settlement, but who did not previously request exclusion, will still be bound by the prior PNC Settlement, and, to the extent that they have submitted or timely submit acceptable Proofs of Claim, will be entitled to share in the proceeds of the Restitution Fund and/or the prior PNC Settlement.

17. If I excluded myself from the PNC Settlement do I need to do anything to exclude myself now?

If you filed an exclusion in connection with the PNC Settlement, then you are not part of the Class and cannot participate in the E&Y Settlement Fund.

18. If I do not exclude myself, can I sue E&Y or the other E&Y Released Parties later for the Settled Claims released in this Settlement?

Unless you exclude yourself (or previously excluded yourself in connection with the PNC Settlement), you give up any rights to sue E&Y and the other E&Y Released Parties for the Settled Claims that the E&Y Settlement releases. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from the Class (or must have previously excluded yourself from the Class) to continue your own lawsuit. Remember, the exclusion deadline is _____, **2007**.

19. If I exclude myself, can I obtain a payment from the E&Y Settlement Fund?

No. If you exclude yourself from the Class, you will not be able to receive any share of the E&Y Settlement Fund, but you may still seek to share in the Restitution Fund by submitting a Proof of Claim indicating that you have excluded yourself from the Class and seek to receive a share of **ONLY** the Restitution Fund. By excluding yourself from the Class, you would preserve whatever rights you may have, if any, to separately sue, continue to sue, or be part of a different lawsuit against E&Y and the other E&Y Released Parties, with your own counsel and at your own expense.

20. If I exclude myself, can I obtain a payment from the Restitution Fund?

If you exclude yourself from the Class with respect to the E&Y Settlement, you may still seek to recover from the Restitution Fund by submitting a Proof of Claim indicating that you have excluded yourself from the Class and seek to receive a share of **ONLY** the Restitution Fund.

THE LAWYERS REPRESENTING YOU

21. Do I have a lawyer in this case?

The Court ordered that the law firms of Milberg Weiss Bershad & Schulman LLP² in New York, New York, Schiffrin & Barroway, LLP in Radnor, Pennsylvania, and Schoengold Sporn Laitman

² On May 18, 2006 in the United States District Court for the Central District of California (Los Angeles), Milberg Weiss Bershad & Schulman LLP and two of its partners were named as defendants in an indictment. The indictment alleges that, in certain cases which are identified in the indictment, portions of attorneys' fees awarded to Milberg Weiss Bershad & Schulman LLP were improperly shared with certain plaintiffs. The indictment does not

& Lometti, P.C. in New York, New York will represent you and the other Class Members. These lawyers are called "Plaintiffs' Co-Lead Counsel." You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

22. How will the lawyers be paid?

Plaintiffs' Co-Lead Counsel are moving the Court to award attorneys' fees from the gross E&Y Settlement Fund in an amount not greater than twenty-eight percent (28%) of the gross E&Y Settlement Fund and for reimbursement of their expenses in the approximate amount of \$150,000, plus interest on such fees and expenses at the same rate as earned by the E&Y Settlement Fund.

Plaintiffs' Co-Lead Counsel, without further notice to the Class, will subsequently apply to the Court for payment of the Claims Administrator's fees and expenses incurred in connection with notice of this E&Y Settlement, administering the E&Y Settlement and distributing the E&Y Settlement's proceeds to the Class Members to the extent such expenses are not paid by PNC in connection with the PNC Settlement.

Pursuant to the agreement establishing the Restitution Fund, none of the proceeds of the Restitution Fund shall be payable as attorneys' fees, nor shall Plaintiffs' Co-Lead Counsel seek a fee award based upon any sums that may be disbursed from the Restitution Fund to Lead Plaintiffs, the Class, or any Class Member.

OBJECTING TO THE E&Y SETTLEMENT

You can tell the Court that you do not agree with the E&Y Settlement or some part of it.

23. How do I tell the Court that I do not like the proposed E&Y Settlement?

If you are a Class Member, you can object to the proposed E&Y Settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must address a signed letter to the Court and file it with the Clerk of the Court and serve a copy upon the persons listed below saying that you object to the proposed E&Y Settlement in the *In re PNC Financial Services Group, Inc. Securities Litigation*. Be sure to include your name, address, telephone number, and your signature, identify the date(s), price(s), and number(s) of shares of all purchases and sales of PNC common stock and/or PNC common stock options you made during the Class Period, and state the reasons why you object to the proposed E&Y Settlement. Your objection must be sent to the Court and served on all the following counsel on or before _____, 2007:

refer to this action, and makes no allegations of any impropriety in the conduct of this action. Milberg Weiss Bershad & Schulman LLP and the two partners have publicly stated that they are innocent and intend to fight the charges.

| COURT | PLAINTIFFS' CO-LEAD COUNSEL |
|---|---|
| Clerk of the Court United States District Court for the Western District of Pennsylvania United States Post Office and Courthouse Seventh Avenue and Grant Street Pittsburgh, PA 15219 | Barry A. Weprin, Esq. Milberg Weiss Bershad & Schulman LLP One Pennsylvania Plaza New York, NY 10119-0165 David Kessler, Esq. Schiffrin & Barroway, LLP 280 King of Prussia Road Radnor, PA 19087 Jay P. Saltzman, Esq., Schoengold Sporn Laitman & Lometti, P.C. 19 Fulton Street, Suite 406 New York, NY 10038 |
| TRUSTEE OF RESTITUTION FUND | E&Y'S COUNSEL |
| Louis W. Fryman, Esq. Fox Rothschild LLP 2000 Market Street, Tenth Floor Philadelphia, PA 19103-3291 | Edward M. Posner, Esq. Drinker Biddle & Reath LLP One Logan Square 18th & Cherry Streets Philadelphia, PA 19103-6996 |

24. What is the difference between objecting and requesting exclusion from the Class with respect to the E&Y Settlement?

Objecting is simply telling the Court that you do not like something about the proposed E&Y Settlement. You can object only if you stay in the Class with respect to the E&Y Settlement. Excluding yourself is telling the Court that you do not want to be part of the Class with respect to the E&Y Settlement. If you previously excluded yourself, you have no basis to object because the case no longer affects you. If you now exclude yourself, you have no basis to object to the E&Y Settlement because the case against E&Y will no longer affect you.

25. When and where will the Court decide whether to approve the E&Y Settlement?

The Court will hold a Settlement Fairness Hearing at __:____ __.m. on ____ day, _____, **2007**, at the United States District Court for the Western District of Pennsylvania, United States Post Office and Courthouse, Seventh Avenue and Grant Street, Pittsburgh, Pennsylvania 15219. At this hearing, the Court will consider whether the E&Y Settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court may also consider how much to award to Plaintiffs' Co-Lead Counsel as attorneys' fees and how much will be paid to reimburse them for expenses. After the hearing, the Court will decide whether to approve the E&Y Settlement. We do not know how long it will take for the Court to make these decisions.

26. Do I have to come to the hearing?

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

27. May I speak at the hearing?

If you object to the E&Y Settlement, you may ask the Court for permission to speak at the Settlement Fairness Hearing. To do so, you must include with your objection (see Question 23 above) a statement saying that it is your "Notice of Intention to Appear in the *In re PNC Financial Services Group, Inc. Securities Litigation*." You cannot speak at the hearing if you exclude yourself.

IF YOU DO NOTHING AND PREVIOUSLY DID NOTHING IN CONNECTION WITH THE PNC SETTLEMENT

28. What happens if I do nothing at all and did nothing in connection with the PNC Settlement?

If you do nothing, and you did not previously submit a Proof of Claim in connection with the PNC Settlement, you will not receive a recovery from this E&Y Settlement, the prior PNC Settlement or the Restitution Fund, and you will be precluded from asserting a Settled Claim, on your own or as part of any other current or future lawsuit, against E&Y or the E&Y Released Parties.

IF YOU DO NOTHING AND PREVIOUSLY SUBMITTED A VALID PROOF OF CLAIM FORM IN CONNECTION WITH THE PNC SETTLEMENT

29. What happens if I do nothing at all having already submitted a valid Proof of Claim form in connection with the PNC Settlement?

If you previously submitted a valid Proof of Claim in connection with the PNC Settlement, you will receive a recovery from the E&Y Settlement without taking any further action.

GETTING MORE INFORMATION

30. Are there more details about the proposed E&Y Settlement?

This notice summarizes the proposed settlement. More details are in a Stipulation and Agreement of Settlement with E&Y dated December 19, 2006 (the "E&Y Stipulation"). You can get a copy of the E&Y Stipulation by visiting www.claimsinformation.com or by writing to Barry Weprin, Esq., Milberg Weiss Bershad & Schulman LLP, One Pennsylvania Plaza, New York, New York 10119-0165; David Kessler, Esq., Schiffrin & Barroway, LLP, 280 King of Prussia Road, Radnor, Pennsylvania 19087; or Jay P. Saltzman, Esq., Schoengold Sporn Laitman & Lometti, P.C., 19 Fulton Street, Suite 406, New York, New York 10038.

You also can call 1-800-789-4720 toll free; write to PNC Securities Litigation Settlement, P.O. Box 1607, Blue Bell, PA 19422; or visit the website at www.claimsinformation.com, where you will find answers to common questions about the E&Y Settlement, the E&Y Stipulation, a claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

| |
|------------------------------------|
| 31. How do I get more information? |
|------------------------------------|

For even more detailed information concerning the matters involved in this Litigation, reference is made to the pleadings, to the E&Y Stipulation, to the Orders entered by the Court and to the other papers filed in the Litigation, which may be inspected at the Office of the Clerk of the United States District Court for the Western District of Pennsylvania, United States Post Office and Courthouse, Seventh Avenue and Grant Street, Pittsburgh, Pennsylvania 15219, during regular business hours.

PLAN OF ALLOCATION OF E&Y NET SETTLEMENT FUND AMONG CLASS MEMBERS

The \$9,075,000 million Settlement Amount and the interest earned thereon will be the E&Y Gross Settlement Fund. The E&Y Gross Settlement Fund, less all taxes, approved costs, fees and expenses (the “E&Y Net Settlement Fund”) will be distributed to Class Members who submit or have already submitted acceptable Proofs of Claim (“Authorized Claimants”).

Lead Plaintiffs are proposing that the E&Y Net Settlement Fund be distributed to Authorized Claimants pursuant to the identical Recognized Claim formula (as set forth in the Prior Settlement Notice) in the Plan of Allocation that was already approved by the Court in connection with the PNC Settlement. The text of the Plan of Allocation is available in the Prior Settlement Notice, additional copies of which may be obtained by calling 1-800-789-4720 or visiting www.claimsinformation.com.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased PNC common stock, purchased call options on PNC common stock, or wrote (sold) put options on PNC common stock during the period from July 19, 2001 through and including July 18, 2002 for the beneficial interest of a person or organization other than yourself, **and if you have not previously provided the Claims Administrator with a list of the names and addresses of your customers who are potential Class Members in connection with the Prior Settlement Notice**, the Court has directed that, within seven (7) days of your receipt of this Notice, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such stock and/or options during such time period or (b) request additional copies of this Notice and Proof of Claim forms, which will be provided to you free of charge, and within seven (7) days mail the Notice and Proof of Claim form directly to the beneficial owners of the securities referred to herein. If you

choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the E&Y Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. **If you previously provided the Claims Administrator with a list of the names and addresses of your beneficiaries for whom you purchased PNC common stock, purchased call options on PNC common stock, or wrote (sold) put options on PNC common stock during the period from July 19, 2001 through and including July 18, 2002, then you do not need to respond; the Claims Administrator will send this Settlement Notice to those persons as well.** All communications concerning the foregoing should be addressed to the Claims Administrator:

In re PNC Securities Litigation Settlement
c/o Louis W. Fryman
Claims Administrator
P.O. Box 1607
Blue Bell, PA 19422
(800) 789-4720

Dated: _____

Pittsburgh, Pennsylvania

By Order of the Court
CLERK OF THE COURT

PNC Securities Litigation Settlement
Claims Administrator
P.O. Box 1607
Blue Bell, PA 19422

_____, 2007

RE: YOUR CLAIM [HAS BEEN RECEIVED] [IS BEING PROCESSED].

Dear Claimant:

Enclosed please find a Notice of Proposed Settlement with Remaining Defendant Ernst & Young LLP and Motion for Attorneys' Fees and Settlement Fairness Hearing describing an additional settlement in the In re PNC Financial Services Group, Inc. Securities Litigation.

We have received a Proof of Claim from you in response to the previous Notice of Pendency of Class Action and Proposed Settlement with Certain Defendants, Motion for Attorneys' Fees and Settlement Fairness Hearing and Notice of Proposed Plan of Distribution of Restitution Fund. This claim is automatically eligible to participate in the this settlement to the extent that it is eligible for the prior settlement. **There is no need for you to submit another claim for the transactions included in your previous claim. Doing so will not increase your distribution in this settlement beyond that attributable to your previously submitted claim.**

In the event your address has changed, please indicate below.

Sincerely,

Claims Administrator

ADDRESS CORRECTION

Your Claim Number: _____

(This is the Number on the mailing label)

New Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Telephone Number: _____

(Day)

(Night)

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

| | | | | |
|---|---|--|---|--------------------|
| | : | | : | Case No. 02-CV-271 |
| IN RE PNC FINANCIAL SERVICES GROUP, INC. SECURITIES LITIGATION | : | | : | |
| | : | | : | JUDGE CERCONE |
| THIS DOCUMENT RELATES TO ALL ACTIONS | : | | : | |
| | : | | : | |

PROOF OF CLAIM

DEADLINE FOR SUBMISSION: _____, 2007.

IF YOU PURCHASED PNC FINANCIAL SERVICES GROUP, INC. (“PNC”) COMMON STOCK, CALL OPTIONS ON PNC COMMON STOCK, OR WROTE (SOLD) PUT OPTIONS ON PNC COMMON STOCK, FROM JULY 19, 2001 THROUGH JULY 18, 2002 INCLUSIVE (THE “CLASS PERIOD”), OR IF YOU ARE THE PNC INCENTIVE SAVINGS PLAN ON BEHALF OF ITSELF AND ITS PRESENT AND FORMER PARTICIPANTS AND BENEFICIARIES (THE “CLASS”), THEN YOU MAY BE ENTITLED TO SHARE IN (I) A RESTITUTION FUND OBTAINED BY THE UNITED STATES DEPARTMENT OF JUSTICE, CRIMINAL DIVISION, FRAUD SECTION AND THE SECURITIES AND EXCHANGE COMMISSION (THE “RESTITUTION FUND”), AND/OR (II) SETTLEMENT FUNDS OBTAINED BY CLASS PLAINTIFFS IN THE ABOVE-CAPTIONED CLASS ACTION LITIGATION (THE “CLASS SETTLEMENT FUNDS”).

EXCLUDED FROM PARTICIPATION IN ALL THE FUNDS ARE DEFENDANTS, AIG FINANCIAL PRODUCTS CORP., ARNOLD & PORTER LLP, BUCHANAN INGERSOLL PC, ANY ENTITY IN WHICH DEFENDANTS, AIG FINANCIAL PRODUCTS CORP., ARNOLD & PORTER LLP, OR BUCHANAN INGERSOLL PC HAS A CONTROLLING INTEREST OR WHICH IS A PARENT OR SUBSIDIARY OF OR IS CONTROLLED BY ANY DEFENDANT, AIG FINANCIAL PRODUCTS CORP., ARNOLD & PORTER LLP, OR BUCHANAN INGERSOLL PC, AND THE OFFICERS, DIRECTORS, PARTNERS, MEMBERS, EMPLOYEES, AFFILIATES, LEGAL REPRESENTATIVES, HEIRS, PREDECESSORS, SUCCESSORS AND ASSIGNS OF ANY OF THE DEFENDANTS, AIG FINANCIAL PRODUCTS CORP., ARNOLD & PORTER LLP, OR BUCHANAN INGERSOLL PC, EXCEPT THAT THIS EXCLUSION SHALL NOT APPLY TO PERSONS IN THEIR CAPACITY AS PRESENT OR FORMER PARTICIPANTS OR BENEFICIARIES OF THE PNC INCENTIVE SAVINGS PLAN.

EXCLUDED FROM PARTICIPATION IN THE CLASS SETTLEMENT FUNDS ONLY ARE (1) ALL PERSONS OR ENTITIES THAT TIMELY AND PROPERLY

SUBMITTED A REQUEST TO BE EXCLUDED FROM THE CLASS IN THE ABOVE-CAPTIONED CLASS ACTION LITIGATION IN CONNECTION WITH THE PRIOR SETTLEMENT WITH PNC, AIG FINANCIAL PRODUCTS CORP., ARNOLD & PORTER LLP, AND BUCHANAN INGERSOLL PC (THE "PRIOR SETTLEMENT") AND (2) ALL PERSONS OR ENTITIES THAT NOW TIMELY AND PROPERLY SUBMIT A REQUEST TO BE EXCLUDED FROM THE CLASS IN CONNECTION WITH THE PROPOSED SETTLEMENT WITH ERNST & YOUNG LLP (THE "E&Y SETTLEMENT").

ANYONE WISHING TO OBTAIN ANY SHARE OF THE RESTITUTION FUND AND/OR THE CLASS SETTLEMENT FUNDS WHO HAS NOT PREVIOUSLY SUBMITTED AN ACCEPTABLE PROOF OF CLAIM FORM IN CONNECTION WITH THE PRIOR SETTLEMENT, MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY PAYMENT.

IF YOU HAVE ALREADY SUBMITTED AN ACCEPTABLE PROOF OF CLAIM FORM IN CONNECTION WITH THE PRIOR SETTLEMENT, THERE IS NO NEED TO DO SO AGAIN.

UNLESS YOU HAVE PREVIOUSLY SUBMITTED AN ACCEPTABLE PROOF OF CLAIM FORM IN CONNECTION WITH THE PRIOR SETTLEMENT, YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN _____, 2007 TO THE FOLLOWING ADDRESS:

In re PNC Securities Litigation Settlement
c/o Louis W. Fryman
Claims Administrator
Post Office Box 1607
Blue Bell, PA 19422

UNLESS YOU HAVE PREVIOUSLY SUBMITTED A PROOF OF CLAIM FORM IN CONNECTION WITH THE PRIOR SETTLEMENT, YOUR FAILURE TO SUBMIT YOUR CLAIM BY _____, 2007 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS LITIGATION FROM EITHER THE NET SETTLEMENT FUNDS OR THE RESTITUTION FUND. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

1. I purchased the common stock of PNC Financial Services Group, Inc. ("PNC"), purchased call options on PNC common stock, or wrote (sold) put options on PNC common stock during the period from July 19, 2001 through and including July 18, 2002. (Do not submit

this Proof of Claim if you did not purchase PNC common stock, you did not purchase call options on PNC common stock, or you did not write (sell) put options on PNC common during this period).

2. I acknowledge that, **if I have not excluded myself from the Class in the above-captioned securities litigation**, I am submitting this Proof of Claim to share in BOTH the Settlement Funds and the Restitution Fund. I state that I believe in good faith that I am a Class Member as defined above and in the Notice of Proposed Settlement with Remaining Defendant Ernst & Young LLP and Motion for Attorneys' Fees and Settlement Fairness Hearing (the "Notice"), or am acting for such person; that I am not a Defendant in the Litigation or anyone else excluded from the Class (*i.e.*, AIG Financial Products Corp. ("AIG-FP"), Arnold & Porter, LLP ("A&P") or Buchanan Ingersoll, PC ("BI"), any entity in which any Defendant, AIG-FP, A&P or BI has a controlling interest or which is a parent or subsidiary of or is controlled by any Defendant, AIG-FP, A&P or BI, an officer, director, partner, member, employee, affiliate, legal representative, heir, predecessor, successor or assign of any of the Defendants, AIG-FP, A&P or BI, except that this exclusion shall not apply to persons in their capacity as present or former participants in or beneficiaries of the PNC Incentive Savings Plan). I have read and understand the Notice. I believe that I am entitled to receive a share of both the Net Settlement Funds and the Restitution Fund. I elect to participate in the proposed Settlement described in the Notice and in the Restitution Fund. Upon the occurrence of the Effective Date (as defined in the Notice) my signature hereto will constitute a full and complete release, remise and discharge by me and my heirs, executors, administrators, predecessors, successors, and assigns (or, if I am submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors,

current and former participants and beneficiaries, successors, and assigns) of each of the “Released Parties” of all “Settled Claims,” as defined in the Notice.

3. I acknowledge that, **if I have excluded myself from the Class in the above-captioned securities litigation**, I am submitting this Proof of Claim to share ONLY in the Restitution Fund. I state that I am not: one of the Defendants in the Litigation, AIG Financial Products Corp. (“AIG-FP”), Arnold & Porter, LLP (“A&P”) or Buchanan Ingersoll, PC (“BI”), any entity in which any Defendant, AIG-FP, A&P or BI has a controlling interest or which is a parent or subsidiary of or is controlled by any Defendant, AIG-FP, A&P or BI, an officer, director, partner, member, employee, affiliate, legal representative, heir, predecessor, successor or assign of any of the Defendants, AIG-FP, A&P or BI, except that this exclusion shall not apply to persons in their capacity as present or former participants in or beneficiaries of the PNC Incentive Savings Plan. I have read and understand the Notice. I believe that I am entitled to receive a share of the Restitution Fund and submit this Proof of Claim only to share in the Restitution Fund.

4. I have set forth where requested below all relevant information with respect to each purchase of PNC common stock, purchase of call options on PNC common stock, or sale of put options on PNC common stock during the Class Period, and each sale, if any, of such securities. I agree to furnish additional information (including transactions in other PNC securities) to the Claims Administrator to support this claim if requested to do so.

5. I have enclosed photocopies of the stockbroker’s confirmation slips, stockbroker’s statements, relevant portions of my tax returns or other documents evidencing each purchase, sale or retention of PNC common stock or PNC common stock options listed below in support of

my claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER OR TAX ADVISOR BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.).

6. I understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your Recognized Claim. In some cases the Claims Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives of the subject securities such as options.)

7. If you are submitting this Proof of Claim in a representative capacity on behalf of another (e.g., as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that person. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.

8. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All Claimants MUST submit a manually signed paper Proof of Claim form listing all their transactions whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at 1-(800) 789-4720 or visit its website at www.claimsinformation.com to obtain the required file layout. No

electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

9. Statement of Claim

Name(s) of Beneficial Owner(s):

Name

Joint Owner's Name (if any)

Address of Beneficial Owner(s):

Street No.

City

State

Zip Code

() _____
Telephone No. (Day)

() _____
Telephone No. (Night)

Taxpayer I.D. No. or Social Security No.

Check one:

- | | |
|---------------------------------------|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input type="checkbox"/> Joint Owners | <input type="checkbox"/> IRA |
| <input type="checkbox"/> Estate | <input type="checkbox"/> Pension Trust |
| <input type="checkbox"/> Other _____ | (specify) |

FOR PNC COMMON STOCK:

10. At the close of trading on July 18, 2001, I owned _____ shares of PNC common stock (If none, write 0).

11. I made the following purchases of PNC common stock during the period from July 19, 2001 through and including July 17, 2002. (Persons who received PNC common stock during the Class Period other than by purchase are not eligible to submit claims for those transactions.):

| Date(s) of Purchase (List Chronologically) (Month/Day/Year) | Number of Shares of Common Stock Purchased | Purchase Price Per Share of Common Stock | Aggregate Cost (including commissions, taxes, and fees) |
|---|--|--|--|
| ___/___/___ | _____ | \$ _____ | \$ _____ |
| ___/___/___ | _____ | \$ _____ | \$ _____ |
| ___/___/___ | _____ | \$ _____ | \$ _____ |
| ___/___/___ | _____ | \$ _____ | \$ _____ |
| ___/___/___ | _____ | \$ _____ | \$ _____ |

12. From July 18, 2002 through and including October 16, 2002, I purchased a total of _____ shares of PNC common stock (If none, write 0).

13. I made the following sales of PNC common stock during the period from July 19, 2001 through and including October 16, 2002:

| Date(s) of Sale (List Chronologically) (Month/Day/Year) | Number of Shares of Common Stock Sold | Sale Price Per Share of Common Stock | Amount Received (net of commissions, taxes, and fees) |
|---|--|---|---|
| ___/___/___ | _____ | \$ _____ | \$ _____ |
| ___/___/___ | _____ | \$ _____ | \$ _____ |
| ___/___/___ | _____ | \$ _____ | \$ _____ |
| ___/___/___ | _____ | \$ _____ | \$ _____ |
| ___/___/___ | _____ | \$ _____ | \$ _____ |

14. At the close of trading on July 17, 2002, I still owned _____ shares of PNC common stock (If none, write 0). At the close of trading on October 16, 2002, I still owned _____ shares of PNC common stock (If none, write 0).

FOR CALL OPTIONS ON PNC COMMON STOCK:

15. At the close of trading on July 18, 2001, I owned the following call options on PNC common stock:

| Number of Contracts | Strike Price | Expiration Date (Month/Day/Year) |
|---------------------|--------------|----------------------------------|
| _____ | \$ _____ | ____/____/____ |
| _____ | \$ _____ | ____/____/____ |
| _____ | \$ _____ | ____/____/____ |
| _____ | \$ _____ | ____/____/____ |

16. I made the following purchases of call options on PNC common stock during the period from July 19, 2001 through and including July 17, 2002:

| Date of Purchase (List Chronologically) (Month/Day/Year) | Number of Contracts | Strike Price | Expiration Date (Month/Day/Year) | Purchase Price Per Share | Aggregate Cost (including commissions, taxes, and fees) |
|--|------------------------|--------------|-------------------------------------|--------------------------------|--|
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |

17. I made the following sales of call options on PNC common stock during the period from July 19, 2001 through and including July 17, 2002:

| Date of Sale (List Chronologically) (Month/Day/Year) | Number of Contracts | Strike Price | Expiration Date (Month/Day/Year) | Sale Price Per Share | Amount Received (net of commissions, taxes, and fees) |
|--|------------------------|--------------|-------------------------------------|-------------------------|---|
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |

18. I exercised the following call options on PNC common stock during the period from July 19, 2001 through and including July 17, 2002:

| Date of Exercise (Month/Day/Year) | Strike Price | Expiration Date (Month/Day/Year) | Number of Contracts |
|--------------------------------------|--------------|-------------------------------------|---------------------|
| ____/____/____ | \$ _____ | ____/____/____ | _____ |
| ____/____/____ | \$ _____ | ____/____/____ | _____ |
| ____/____/____ | \$ _____ | ____/____/____ | _____ |
| ____/____/____ | \$ _____ | ____/____/____ | _____ |

19. At the close of trading on July 17, 2002, I still owned the following call options on PNC common stock, which I thereafter either sold or exercised or which expired as follows:

| Number of Contracts | Strike Price | Expiration Date (Month/Day/Year) | Sale Proceeds | Exercised | Expired |
|------------------------|--------------|-------------------------------------|---------------|-----------|---------|
| _____ | \$ _____ | ____/____/____ | \$ _____ | | |
| _____ | \$ _____ | ____/____/____ | \$ _____ | | |
| _____ | \$ _____ | ____/____/____ | \$ _____ | | |
| _____ | \$ _____ | ____/____/____ | \$ _____ | | |

FOR PUT OPTIONS ON PNC COMMON STOCK:

20. At the close of trading on July 18, 2001, I was obligated on the following put options on PNC common stock:

| Number of Contracts | Strike Price | Expiration Date (Month/Day/Year) |
|---------------------|--------------|----------------------------------|
| _____ | \$ _____ | ____/____/____ |
| _____ | \$ _____ | ____/____/____ |
| _____ | \$ _____ | ____/____/____ |
| _____ | \$ _____ | ____/____/____ |

21. I wrote (sold) put options on PNC common stock during the period from July 19, 2001 through and including July 17, 2002 as follows:

| Date of Writing (Sale) (List Chronologically) (Month/Day/Year) | Number of Contracts | Strike Price | Expiration Date (Month/Day/Year) | Sale Price Per Share | Amount Received (net of commissions, taxes, and fees) |
|--|------------------------|--------------|-------------------------------------|-------------------------|---|
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |

____/____/____ _____ \$ _____ ____/____/____ \$ _____ \$ _____

22. I made the following repurchases of put options on PNC common stock during the period from July 19, 2001 through and including July 17, 2002:

| Date of Purchase (List Chronologically) (Month/Day/Year) | Number of Contracts | Strike Price | Expiration Date (Month/Day/Year) | Price Paid Per Share | Aggregate Cost (including commissions, taxes, and fees) |
|--|------------------------|--------------|-------------------------------------|-------------------------|--|
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |
| ____/____/____ | _____ | \$ _____ | ____/____/____ | \$ _____ | \$ _____ |

23. The following put options on PNC common stock which I wrote (sold) during the period from July 19, 2001 through and including July 17, 2002 were exercised by the holders thereof and assigned to me: (Include all exercises whether occurring during or after the class period)

| Number of Contracts | Strike Price | Expiration Date (Month/Day/Year) | Date of Exercise (Month/Day/Year) |
|---------------------|--------------|-------------------------------------|--------------------------------------|
| _____ | \$ _____ | ____/____/____ | ____/____/____ |
| _____ | \$ _____ | ____/____/____ | ____/____/____ |
| _____ | \$ _____ | ____/____/____ | ____/____/____ |
| _____ | \$ _____ | ____/____/____ | ____/____/____ |

24. At the close of trading on July 17, 2002, I was obligated on the following put options on PNC common stock, which I thereafter either re-purchased, or were exercised and assigned to me or which expired as follows:

| Number of Contracts | Strike Price | Expiration Date (Month/Day/Year) | Re-purchased Date (Month/Day/Year) | Purchase Cost | Exercised | Expired Unexercised |
|------------------------|--------------|-------------------------------------|---------------------------------------|---------------|-----------|------------------------|
| _____ | \$ _____ | ____/____/____ | ____/____/____ | \$ _____ | | |
| _____ | \$ _____ | ____/____/____ | ____/____/____ | \$ _____ | | |
| _____ | \$ _____ | ____/____/____ | ____/____/____ | \$ _____ | | |
| _____ | \$ _____ | ____/____/____ | ____/____/____ | \$ _____ | | |

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS PHOTOCOPY THIS PAGE

25. Substitute Form W-9

Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service (“I.R.S.”) requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

Social Security Number (for individuals) or

Taxpayer Identification Number
(for estates, trusts, corporations, etc.)

26. Certification

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED ON THIS FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign)

(Signature)

Print or Type Name

(Signature)

Print or Type Name

(Capacity of person(s) signing, e.g.
beneficial purchaser(s), executor,
administrator, trustee, etc.)

Date: _____

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN

_____, 2007, AND MUST BE MAILED TO:

In re PNC Securities Litigation Settlement
c/o Louis W. Fryman
Claims Administrator
Post Office Box 1607
Blue Bell, PA 19422

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by _____, 2007, and if a postmark is indicated on the envelope and it is mailed first class, and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to process fully all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify the Claims Administrator of any change of address.

DO NOT SUBMIT THIS CLAIM IF YOU PREVIOUSLY SUBMITTED AN ACCEPTABLE PROOF OF CLAIM IN CONNECTION WITH THE PRIOR SETTLEMENT.

REMINDER CHECKLIST

1. Please be sure to sign this Proof of Claim on page [___]. If this Proof of Claim is submitted on behalf of joint claimants, then both claimants must sign..
2. Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
3. Do NOT use highlighter on the Proof of Claim or any supporting documents.

4. If you move after submitting this Proof of Claim, please notify the claims Administrator of the change in your address.

NOTE: RECEIPT ACKNOWLEDGMENT NEEDED

The Claims Administrator will send a written confirmation of its receipt of your Proof of Claim. Do not assume your claim is submitted until you receive written confirmation of its receipt. Your claim is not deemed fully filed until the Claims Administrator sends you written confirmation of its receipt of your Proof of Claim. If you do not receive an acknowledgement postcard within thirty (30) days of your mailing the Proof of Claim, then please call the Claims Administrator toll free at _____.

DO NOT SUBMIT THIS CLAIM IF YOU PREVIOUSLY SUBMITTED AN ACCEPTABLE PROOF OF CLAIM IN CONNECTION WITH THE PRIOR SETTLEMENT.

PRIVILEGED AND CONFIDENTIAL SETTLEMENT COMMUNICATION
DRAFT No. 1 (Milberg Document No. 381111v1) (10/23/2006)

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

**IN RE PNC FINANCIAL SERVICES
GROUP, INC. SECURITIES
LITIGATION**

**Case No. 02-CV-271

JUDGE CERCONE**

**SUMMARY NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION WITH
REMAINING DEFENDANT ERNST & YOUNG LLP AND SETTLEMENT HEARING**

TO: ALL PERSONS WHO PURCHASED PNC FINANCIAL SERVICES GROUP, INC. (“PNC”) COMMON STOCK, WHO PURCHASED CALL OPTIONS ON PNC COMMON STOCK, OR WHO WROTE (SOLD) PUT OPTIONS ON PNC COMMON STOCK, FROM JULY 19, 2001 THROUGH JULY 18, 2002 INCLUSIVE (THE “CLASS PERIOD”), AND THE PNC INCENTIVE SAVINGS PLAN ON BEHALF OF ITSELF AND ITS PRESENT AND FORMER PARTICIPANTS AND BENEFICIARIES WHO PURCHASED OR OTHERWISE ACQUIRED PNC COMMON STOCK DURING THE CLASS PERIOD THROUGH THE PNC INCENTIVE SAVINGS PLAN (THE “CLASS”).

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the Court, that the above-captioned action has been certified as a class action for purposes of a proposed \$9,075,000 settlement (the “E&Y Settlement”) with the sole remaining defendant, Ernst & Young LLP (“E&Y”), PNC’s outside auditor during the Class Period.

A hearing will be held before the Honorable David Stewart Cercone in the United States District Court for the Western District of Pennsylvania, United States Post Office and Courthouse, Seventh Avenue and Grant Street, Pittsburgh, Pa, 15219, at ____:____ __.m., on _____, 2007 to determine whether the proposed E&Y Settlement should be approved by the Court as fair, reasonable and adequate, and to consider Plaintiffs’ Co-Lead Counsel’s application for an award of attorneys’ fees and reimbursement of expenses.

This E&Y Settlement is in addition to the prior \$36,600,000 PNC Settlement. Furthermore, as described in prior notices, a separate \$156,000,000 Restitution Fund is available

for Class Members. A Notice concerning the prior PNC Settlement and the Restitution Fund was mailed to Class Members on April 22, 2005, and is available at www.claimsinformation.com or by contacting the Claims Administrator identified below.

IF YOU ARE A MEMBER OF THE CLASS DESCRIBED ABOVE, YOUR RIGHTS WILL BE AFFECTED AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT FUND. IF YOU ALREADY SUBMITTED A PROOF OF CLAIM IN CONNECTION WITH THE PREVIOUS SETTLEMENT, IT IS NOT NECESSARY FOR YOU TO SUBMIT ANOTHER PROOF OF CLAIM. THE PROOF OF CLAIM YOU ALREADY SUBMITTED WILL BE USED TO PROCESS YOUR CLAIM FOR ALL RECOVERIES.

If you have not yet received the full printed Notice of Proposed Settlement of Class Action with Remaining Defendant Ernst & Young LLP, Motion for Attorneys' Fees and Settlement Fairness Hearing (the "E&Y Settlement Notice") you may obtain a copy by contacting:

PNC Securities Litigation Settlement
c/o Louis W. Fryman, Claims Administrator
P.O. Box 1607
Blue Bell, PA 19422
(800) 789-4720
www.claimsinformation.com

Inquiries, other than requests for the E&Y Settlement Notice, may be made to Plaintiffs' Co-Lead Counsel as follows:

| | | |
|--|--|---|
| Barry A. Weprin, Esq. Milberg Weiss Bershad & Schulman LLP One Penn Plaza New York, NY 10119-0165 Telephone: (212) 594-5300 | David Kessler, Esq. Schiffirin & Barroway, LLP 280 King of Prussia Road Radnor, PA 19087 Telephone: (610) 667-7706 | Jay P. Saltzman, Esq., Schoengold Sporn Laitman & Lometti, P.C. 19 Fulton Street, Suite 406 New York, NY 10038 Telephone: (212) 964-0046 |
|--|--|---|

To participate in the E&Y Settlement, the PNC Settlement and/or the separate \$156 million Restitution Fund, if you have not already submitted an acceptable Proof of Claim, you must submit a Proof of Claim no later than _____, 2007. Copies of the Proof of Claim

form may be obtained at *www.claimsinformation.com* or by contacting the Claims Administrator identified above. IF YOU PREVIOUSLY SUBMITTED A VALID PROOF OF CLAIM IN CONNECTION WITH THE PRIOR SETTLEMENT, YOU NEED NOT RE-SUBMIT YOUR CLAIM, AS YOUR PRIOR CLAIM WILL ENTITLE YOU TO SHARE IN THIS E&Y SETTLEMENT.

If you previously submitted a request for exclusion in accordance with the requirements in the prior notice, then you are excluded from the Class and may not submit a Proof of Claim herein. If you are a Class Member and do not now exclude yourself from the Class with respect to the E&Y Settlement, you will be bound by any Order and Final Judgment of the Court entered with respect to the E&Y Settlement. To exclude yourself from the Class with respect to the E&Y Settlement, you must submit a request for exclusion postmarked no later than _____, 2007.

Any objections to the E&Y Settlement must be filed by _____, 2007.

If you are a Class Member and did not previously (and do not now) submit a proper Proof of Claim, you will not share in the proceeds of the E&Y Settlement, the PNC Settlement or the Restitution Fund.

Further information may be obtained by contacting the Claims Administrator.

By Order of the Court.

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

**IN RE PNC FINANCIAL SERVICES
GROUP, INC. SECURITIES
LITIGATION**

**Case No. 02-CV-271
JUDGE CERCONE**

**THIS DOCUMENT RELATES TO ALL
ACTIONS**

FINAL ORDER AND JUDGMENT

AND NOW, this _____ day of _____, 2007, after a hearing before this Court to determine (1) whether the terms and conditions of the Stipulation and Agreement of Settlement with Ernst & Young LLP (“E&Y”) dated December 19, 2006 (the “Stipulation”) are fair, reasonable and adequate for the settlement of all claims asserted by the Class against E&Y in the Second Consolidated and Amended Complaint dated March 31, 2005 (the “Second Amended Complaint”) in this action, including the release of E&Y and the Released Parties, and whether the Stipulation should be approved; (2) whether judgment should be entered dismissing the Second Amended Complaint on the merits and with prejudice in favor of E&Y and as against all persons or entities who are Class Members herein and who have not requested exclusion from the Class; and (3) whether and in what amount to award Plaintiffs’ Co-Lead Counsel in attorneys’ fees and for reimbursement of expenses; and the Court having considered all matters submitted to it at the hearing and otherwise; and it appearing that a notice of the hearing substantially in the form approved by the Court was mailed to all persons or entities reasonably identifiable, who purchased the common stock of PNC Financial Services Group, Inc. (“PNC”), purchased call options on PNC common stock, or who wrote (sold) put options on PNC common stock, from July 19, 2001 through July 18, 2002 inclusive (the “Class Period”), and the PNC Incentive Savings Plan on behalf of itself and its present and former participants and

beneficiaries who purchased or otherwise acquired PNC common stock during the Class Period through the PNC Incentive Savings Plan, except those persons or entities excluded from the definition of the Class, as shown by the records compiled by the Claims Administrator in connection with the previous mailing of the notice of settlement with the PNC Defendants, AIG-FP, A&P and BI (the “PNC Settlement”), at the respective addresses set forth in such records, and that a summary notice of the hearing substantially in the form approved by the Court was published in the national edition of *The Wall Street Journal* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the award of attorneys’ fees and expenses requested; and the Court having previously approved the notice program and Plan of Allocation as fair and reasonable in its Order and Final Judgment filed July 13, 2006 (the “July 13th Final Order”) approving the PNC Settlement; and all capitalized terms used herein having the meanings as set forth and defined in the Stipulation;

IT IS HEREBY ORDERED THAT:

1. The Court has jurisdiction over the subject matter of the Litigation, Lead Plaintiffs, all Class Members and E&Y. The Court also has jurisdiction, pursuant to ¶ 1 of the July 13th Order, over AIG-FP.

2. The Court finds that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of Lead Plaintiffs are typical of the claims of the Class they seek to represent; (d) Lead Plaintiffs have and will fairly and adequately represent the interests of the Class; (e) the questions of law and fact common to the Class Members predominate over any questions affecting only individual Class Members; and (f) a

class action is superior to other available methods for the fair and efficient adjudication of the controversy.

3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure this Court hereby finally certifies the Litigation, for purposes of the Settlement, as a class action on behalf of all persons who purchased PNC common stock, who purchased call options on PNC common stock, or who wrote (sold) put options on PNC common stock, from July 19, 2001 through July 18, 2002 inclusive (the “Class Period”), and the PNC Incentive Savings Plan on behalf of itself and its present and former participants and beneficiaries who purchased or otherwise acquired PNC common stock during the Class Period through the PNC Incentive Savings Plan. Excluded from the Class are all Defendants in the Litigation, AIG Financial Products Corp., Arnold & Porter LLP, and Buchanan Ingersoll PC, any entity in which any Defendant, AIG Financial Products Corp., Arnold & Porter LLP, or Buchanan Ingersoll PC has a controlling interest or which is a parent or subsidiary of or is controlled by any Defendant, AIG Financial Products Corp., Arnold & Porter LLP, or Buchanan Ingersoll PC, and the officers, directors, partners, members, employees, affiliates, legal representatives, heirs, predecessors, successors and assigns of any of the Defendants, AIG Financial Products Corp., Arnold & Porter LLP, or Buchanan Ingersoll PC, except that this exclusion shall not apply to persons in their capacity as present or former participants in or beneficiaries of the PNC Incentive Savings Plan. Also excluded from the Class are the putative Class Members who requested exclusion from the Class (as listed on Exhibit 1 annexed hereto) and the putative Class Members who previously requested exclusion from the Class in connection with the PNC Settlement (as listed on Exhibit 2 annexed hereto).

4. Notice of the proposed settlement of the Litigation was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the

Class of the pendency of the Litigation as a class action and of the terms and conditions of the proposed Settlement met the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the PSLRA, due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

5. The Settlement is approved and so ordered as fair, reasonable and adequate, and the Class Members and the Parties are directed to consummate the Settlement in accordance with the terms and provisions of the Stipulation.

6. The Second Amended Complaint is hereby dismissed with prejudice and without costs, except as provided in the Stipulation, as against E&Y.

7. Lead Plaintiffs, the Class, and Class Members (including, but not limited to, for this purpose the current and former participants and beneficiaries of the PNC Incentive Savings Plan) and the successors and assigns of any of them, are hereby permanently barred and enjoined from instituting, commencing or prosecuting, either directly, in a derivative, or in any other capacity, any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class, derivative, or individual in nature, including both known claims and Unknown Claims: (i) that have been asserted in the Litigation by Lead Plaintiffs, the Class, or

any Class Member (including but not limited to, for this purpose, the PNC Incentive Savings Plan and any current or former participant or beneficiary of the PNC Incentive Savings Plan) against any of the Released Parties; (ii) that could have been asserted in any forum by Lead Plaintiffs, the Class, or any Class Member (including but not limited to, for this purpose, the PNC Incentive Savings Plan and any current or former participant or beneficiary of the PNC Incentive Savings Plan) against any of the Released Parties, which arise out of, relate to, or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in any of the complaints filed in the Litigation and relate to the acquisition or ownership of shares of, or call or put options on, the common stock of PNC during the Class Period; or (iii) that were asserted by Andrew J. Gosline in his demand letter dated June 10, 2003 (“Gosline Demand Letter”) or that were asserted in any other derivative demands that have been made or may be made in connection with the PAGIC transactions that are described in the Second Amended Complaint (the “Settled Claims”) against E&Y, its predecessors, successors and assigns, its past and present parents, subsidiaries, partners, principals, employees, representatives, agents, insurers and reinsurers, and any entity in which E&Y has a controlling interest or which is related to or affiliated with E&Y (the “Released Parties”). Settled Claims shall include the claims that were assigned to Lead Plaintiffs and the Class under the terms of the December 17, 2004 Memorandum of Understanding and pursuant to Paragraph 11 of the July 13th Final Order. The Settled Claims are hereby compromised, settled, released, discharged and dismissed as against the Released Parties on the merits and with prejudice by virtue of the proceedings herein and this Final Order and Judgment.

8. “Unknown Claims” means any and all Settled Claims which any Lead Plaintiff, the Class, or any Class Member (including, but not limited to, for this purpose the PNC Incentive

Savings Plan and any current or former participant or beneficiary of the PNC Incentive Savings Plan) does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, and any Settled Defendant's Claims which E&Y does not know or suspect to exist in its favor, 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 Settled Claims and Settled Defendant's Claims, the Parties stipulate and agree that upon the Effective Date, Lead Plaintiffs and E&Y shall expressly waive, and each Class Member (including, but not limited to, for this purpose the PNC Incentive Savings Plan and any current or former participant or beneficiary of the PNC Incentive Savings Plan) and Released Party shall be deemed to have waived, and by operation of the Final Order and Judgment shall have expressly waived, 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.

Lead Plaintiffs and E&Y acknowledge, and Class Members and the Released Parties by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Settled Claims and Settled Defendant's Claims was separately bargained for and was a key element of the Settlement.

9. E&Y is hereby permanently barred and enjoined from instituting any and all claims, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, including both known claims and

Unknown Claims, that have been or could have been asserted in the Litigation or any forum by E&Y against any Lead Plaintiff, the Class, or any Class Member solely in his, her or its capacity as a Class Member, or their attorneys, relating to the institution, prosecution, or settlement of the Litigation and/or the claims asserted by Andrew J. Gosline in his demand letter dated June 10, 2003 (except for claims to enforce the Settlement) (the “Settled Defendant’s Claims”). The Settled Defendant’s Claims are hereby compromised, settled, released, discharged and dismissed on the merits and with prejudice by virtue of the proceedings herein and this Final Order and Judgment.

10. Valid Proof of Claim forms submitted by Class Members in connection with the PNC Settlement shall be effective to participate in this Settlement and shall be of full force and effect for all releases provided for herein.

11. Valid Proof of Claim forms submitted by Class Members in connection with the PNC Settlement and/or this Settlement shall be effective to participate in the Restitution Fund.

12. Valid and timely Proof of Claim forms submitted by Class Members in connection with this Settlement shall be effective to participate in the PNC Settlement and shall be of full force and effect for all releases provided for in the July 13th Final Order.

13. Pursuant to paragraph 16 of the July 13th Final Order, upon the Effective Date, E&Y shall be deemed to have released any claim E&Y may have against AIG-FP arising out of or relating to the Settled Claims (as defined in both the Stipulation and the PNC Stipulation).

14. Pursuant to paragraph 16 of the July 13th Final Order, upon the Effective Date, AIG-FP shall be deemed to have released any claim it may have against E&Y arising out of or relating to the Settled Claims (as defined in both the Stipulation and the PNC Stipulation).

15. Upon the Effective Date, E&Y, including its predecessors, successors and assigns, its past and present parents, subsidiaries, directors, officers, partners, principals, employees, representatives, agents and any entity in which E&Y has or had a controlling interest or which is or was related to or affiliated with E&Y, shall be deemed to have released any and all claims, rights or causes of action (whether based on federal, state or any other law, rule or regulation), including known and unknown claims, arising out of or relating to the PAGIC transactions that are described in the Second Amended Complaint, E&Y's engagement as an auditor or accountant for PNC and/or the earlier partial settlement of the Litigation, which have been or could have been asserted against AIG-FP.

16. Upon the Effective Date, AIG-FP, including its respective predecessors, successors and assigns, past and present parents, subsidiaries, directors, officers, partners, principals, employees, representatives, agents and any entity in which AIG-FP has or had a controlling interest or which is or was related to or affiliated with AIG-FP, each shall be deemed to have released any and all claims, rights or causes of action (whether based on federal, state or any other law, rule or regulation), including known and unknown claims, arising out of or relating to the PAGIC transactions that are described in the Second Amended Complaint, E&Y's engagement as an auditor or accountant for PNC and/or the earlier partial settlement of the Litigation, which have been or could have been asserted against E&Y.

17. The Court finds that all of the Parties have fulfilled their obligations to obtain releases as set forth under ¶ 16 of the July 13th Final Order.

18. Neither this Final Order and Judgment, the Stipulation, nor any of its terms and provisions, nor any of the negotiations or proceedings connected with it, nor any of the documents or statements referred to therein shall be:

(a) offered or received against E&Y as evidence of or construed as or deemed to be evidence of any presumption, concession, or admission by E&Y with respect to the truth of any fact alleged by any of Lead Plaintiffs, the Class, or any Class Member, or the validity of any claim that has been or could have been asserted in the Litigation or in any litigation, or the deficiency of any defense that has been or could have been asserted in the Litigation or in any litigation, or of any liability, negligence, fault, or wrongdoing of E&Y;

(b) offered or received against E&Y as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by E&Y;

(c) offered or received against E&Y as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against E&Y in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation and this Final Order and Judgment; provided, however, that if the Stipulation is approved by the Court, E&Y may refer to it to effectuate the liability protection granted it hereunder;

(d) construed against E&Y as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered from E&Y after trial; and

(e) construed as or received in evidence as an admission, concession or presumption against Lead Plaintiffs or any of the Class Members that any of their claims are without merit, or that any defense asserted by E&Y has any merit, or that damages recoverable under the Complaints would not have exceeded the E&Y Gross Settlement Fund.

19. Plaintiffs' Co-Lead Counsel and the Claims Administrator are directed to administer the Stipulation in accordance with the Plan of Allocation approved by the July 13th Final Order.

20. The Restitution Fund established pursuant to the Deferred Prosecution Agreement (the "DPA") entered into on June 2, 2003 by the United States Department of Justice and PNC ICLC Corp., an indirect non-bank subsidiary of PNC, and funded by PNC ICLC Corp. and AIG Financial Products Corp., is independent of, and not part of, the Settlement Fund. Pursuant to the terms of the DPA, none of the proceeds of the Restitution Fund shall be payable as attorneys' fees, nor shall Class Counsel seek a fee award based upon sums disbursed from the Restitution Fund to Lead Plaintiffs, the Class, or any Class Member. Funds obtained on behalf of the Class from the Restitution Fund shall be distributed to Authorized Claimants in conjunction with the distribution of the Net Settlement Fund, and in accordance with the Plan of Allocation approved by the July 13th Final Order.

21. The Court finds that all parties and their counsel have complied with each requirement of Rule 11 of the Federal Rules of Civil Procedure as to all proceedings herein.

22. Plaintiffs' Counsel are hereby awarded _____% of the E&Y Gross Settlement Fund in fees, which sum the Court finds to be fair and reasonable, and \$_____ in reimbursement of expenses, which expenses shall be paid to Plaintiffs' Co-Lead Counsel from the E&Y Settlement Fund with interest from the date such Settlement Fund was funded to the date of payment at the same net rate that the Settlement Fund earns. The award of attorneys' fees shall be allocated among Plaintiffs' Counsel in a fashion which, in the

opinion of Plaintiffs' Co-Lead Counsel, fairly compensates Plaintiffs' Counsel for their respective contributions in the prosecution of the Litigation.

23. In making this award of attorneys' fees and reimbursement of expenses to be paid from the E&Y Gross Settlement Fund, the Court has considered and found that:

(a) the Settlement has created a fund of \$9,075,000 in cash that is already on deposit, plus interest thereon and that numerous Class Members will benefit from the Settlement created by Plaintiffs' Counsel;

(b) Over _____ copies of the Notice were disseminated to putative Class Members indicating that Plaintiffs' Co-Lead Counsel were moving for attorneys' fees in the amount not greater than 28% of the Gross Settlement Fund and for reimbursement of expenses in the approximate amount of \$_____ and [_____] objections were filed against the terms of the proposed Settlement or the ceiling on the fees and expenses requested by Plaintiffs' Co-Lead Counsel contained in the Notice;

(c) Plaintiffs' Counsel have conducted the Litigation and achieved the Settlement with skill, perseverance and diligent advocacy;

(d) The action involves complex factual and legal issues and was actively prosecuted over three years and, in the absence of a settlement, would involve further lengthy proceedings with uncertain resolution of the complex factual and legal issues;

(e) Had Plaintiffs' Counsel not achieved the Settlement there would remain a significant risk that Lead Plaintiffs and the Class may have recovered less or nothing from E&Y

or that the July 13th Final Order would be overturned in connection with E&Y's appeal of that Order;

(f) Plaintiffs' Counsel have devoted thousands of hours in prosecuting this Litigation, with a lodestar value of \$_____, to achieve the Settlement; and

(g) The amount of attorneys' fees awarded and expenses reimbursed from the Settlement Fund are consistent with awards in similar cases, including the award set forth in the July 13th Final Order.

24. Exclusive jurisdiction is hereby retained over the Parties and the Class Members for all matters relating to the Litigation, including the administration, interpretation, effectuation or enforcement of the Stipulation and this Final Order and Judgment, and including any application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the Class Members.

25. Without further order of the Court, the parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

Dated: Pittsburgh, Pennsylvania

_____, 2007

Honorable David Stewart Cercone
UNITED STATES DISTRICT JUDGE

EXHIBIT 1

**List of Persons and Entities Excluded from the Class in the
In re PNC Financial Services Group, Inc. Securities Litigation
in connection with the E&Y Settlement**

The following persons and entities, and only the following persons and entities, have properly excluded themselves from the Class in the *In re PNC Financial Services Group, Inc. Securities Litigation* in connection with the E&Y Settlement:

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EXHIBIT 2

**List of Persons and Entities Excluded from the Class in the
In re PNC Financial Services Group, Inc. Securities Litigation
in connection with the PNC Settlement**

The following persons and entities, and only the following persons and entities, have properly excluded themselves from the Class in the *In re PNC Financial Services Group, Inc. Securities Litigation* in connection with the PNC Settlement:

| | |
|--|--|
| Roberta L. Szydlowski 960 West Maplehurst Drive Roscommon, Michigan 48653 | Gerald A. Feldman 6 E. Seymour Avenue Cincinnati, Ohio 45216-2023 |
| Dr. Lillian Paule Charie 307 S. Dithridge Street Apartment 210 Pittsburgh, Pennsylvania 15213-3514 | Christopher L. Renzi 146 Old Forge Crossing Devon, Pennsylvania 19333-1121 |
| Marilyn D. Bull, individually and as Trustee of the Clive A. Bull Revocable Trust under Trust Agreement dated July 13, 1995 c/o Patrick A. Davis, P.A. P.O. Box 15933 Clearwater, Florida 33766-5933 | |