

based on (i) a series of events beginning on or about May 1, 2008 and culminating on October 24, 2008, in which representatives of Defendant National City Corporation made materially false and misleading statements and omissions, particularly relating to events in late September and in October 2008, which statements and omissions were unique to the events that occurred during that timeframe and which had a material impact upon the Plaintiff class, and furthermore were in direct contradiction to statements made in the days following October 24, 2008, and (ii) self-serving actions taken by Defendant National City Corporation in concert with Defendants Corsair Capital Group, LLC and Corsair NC Co-Invest, LP (“Corsair”) together with certain other institutional shareholders who joined with Corsair in the \$7,000,000,000 investment in Defendant National City in May, 2008 (collectively the “Majority Shareholders”), which actions were designed to benefit the Majority Shareholders disproportionately beyond the benefits to be realized by other shareholders of National City Corporation, while also substantially benefiting certain insiders of National City Corporation (collectively the “Benefiting Insiders”), including without limitation the majority of the executives of Defendant National City Corporation. The Majority Shareholders, together with the Benefiting Insiders, are collectively the “Unfairly Enriched Control Group.”

2. This action does not seek to preclude or halt the proposed merger between Defendant National City Corporation and its acquiring merger partner, PNC Financial Services Group, Inc. (which as of the date hereof is not a defendant herein, although subsequent events or the result of discovery may lead to their inclusion as an additional defendant). Rather, Plaintiff seeks to obtain for all shareholder class members the same financial benefits to be enjoyed by their fellow

shareholders who comprise the Majority Shareholders, and any other applicable member of the Unfairly Enriched Control Group, as a consequence of the merger.

There is no reason to enjoin the merger as there should be an adequate financial remedy for the aggrieved class, although should the merger be approved, Plaintiff may move this Court to grant relief concerning Section 1.1(b) of the Merger Agreement, **pursuant to which the acquiring party has the ability to merge National City into a shell company and strip all of the assets, leaving no protection for the Plaintiff class or other creditors of National City.**

PARTIES

3. Plaintiff Martin W. Sheerer is an adult individual residing in the Commonwealth of Pennsylvania. Sheerer brings this action on behalf of himself and all other persons similarly situated, namely, all shareholders of Defendant National City Corporation (hereinafter “National City”), other than the named Defendants, and any other members of the **Unfairly Enriched Control Group**, and their insiders and affiliates, who owned shares of National City as of October 24, 2008 (the “Merger Announcement Date”).

4. Defendant National City is a financial holding company with interests in banking and financial services, including commercial and retail banking, mortgage financing and servicing and consumer finance. National City maintains business locations and regularly conducts business throughout the Commonwealth of Pennsylvania.

5. Defendant Corsair Capital Group, LLC is a private equity firm with a principal business address at 717 Fifth Avenue, 24th Floor, New York, NY 10022. Defendant Corsair NC Co-Invest, LP is an investment vehicle managed by an affiliate of Corsair Capital LLC. (Hereinafter, Corsair Capital Group, LLC and Corsair NC Co-Invest, LP will be collectively referred to as “Corsair.”) Corsair is the single largest shareholder of National City, having acquired at least 157,000,000 shares in or about April 2008 and possibly additional shares thereafter. Corsair, together with the John Doe Defendants, are part of a group that invested \$7,000,000,000 in National City on or about May 1, 2008, and pursuant to which the group was collectively granted common stock and certain other securities convertible into common stock that ultimately gave the investment group control of approximately 70% of the outstanding shares of National City. The identity of the John Doe Defendants has not been fully revealed or is otherwise unknown to Plaintiff, but will be revealed during discovery herein.

JURISDICTION AND VENUE

6. This Court has jurisdiction over this action and venue is proper pursuant to Section 27 of the Securities Exchange Act of 1934, 15 U.S.C.A. § 78aa, which permits actions for securities fraud filed pursuant to Section 10(b) to be brought in any district in which the defendant is found or transacts business. This Court has jurisdiction over any state law claims pursuant to principles of supplemental jurisdiction.

CLASS ACTION ALLEGATIONS

7. This action is brought as a class action on behalf of all shareholders of Defendant who owned shares on October 24, 2008, the date on which the board of directors of National City Corporation agreed to a merger with PNC Financial Corporation (“PNC”) (hereinafter the “Merger Announcement Date”). Excluded from the class are Defendant National City Corporation and its subsidiaries, officers and directors, and Corsair and other members of the Unfairly Enriched Control Group, and their subsidiaries, officers and directors.

8. Plaintiff is a member of the Plaintiff class. Plaintiff owned at least 25,000 shares of National City stock on the Merger Announcement Date, which ownership stake is sufficiently substantial to warrant and ensure active interest and participation by Plaintiff in this action, and the diligent and effective prosecution thereof. Plaintiff, as representative of the class, will therefore fairly and adequately protect the interests of the class and of the individual members thereof.

9. The Plaintiff class is believed to include thousands of members and is, therefore, so numerous that joinder of all members would be impracticable. The precise number of class members, and the identity of each member, can be readily determined from National City’s own records.

10. There are questions of law and fact common to all members of the Plaintiff class, and such common questions will predominate over any questions that affect or might affect only individual members of the class in the disposition of this action. Such common questions of law and fact include:

- (a) whether National City violated the federal securities laws by the acts alleged herein;

- (b) whether statements disseminated by National City to the investing public and to the shareholders of National City during 2008 omitted and/or misrepresented material facts about the business operations and prospects of the Company;
- (c) whether National City acted willfully or recklessly in omitting and/or misrepresenting material facts;
- (d) whether National City's non-disclosures and/or misrepresentations constituted a fraud on the market by artificially inflating the market prices of National City common stock;
- (e) whether Corsair and the other members of the Unfairly Enriched Control Group have violated their fiduciary duties to their fellow shareholders, and have acted to oppress such fellow-shareholders, by obtaining for themselves benefits not to be conferred upon such fellow-shareholders; and
- (f) whether the members of the class have sustained damages and, if so, what is the proper measure of such damages.

11. A class action is superior to any other available method for the fair and efficient adjudication of the controversy between the class and Defendants.

12. The claims of the named plaintiff, representative of the class, are typical of the claims of the class.

13. The Plaintiff class representative will fairly and adequately assert and protect the interests of the class as required by Fed. R. Civ. P. 23. In particular: (1) the undersigned attorneys will vigorously and adequately represent the interests of the class; (2) the class representatives have no conflict of interest in maintaining a class action; and (3) the class representatives have adequate financial resources to assure that the interests of the class will not be harmed.

14. As set forth on Exhibit 1 attached hereto, the named Plaintiff qualifies to act as the Plaintiff class representative in this action.

15. The prosecution of separate actions by individual members of the class would create the risk of inconsistent or varying adjudications which would establish incompatible standards of conduct for National City, and adjudications with respect to

individual members of the class which would as a practical matter be dispositive of the interests of the other members of class, or would substantially impair or impede their ability to protect such interests.

16. The Defendants have acted and refused to act on grounds generally applicable to the class.

GENERAL FACTUAL ALLEGATIONS

Background Facts

17. National City is a diversified, multi-jurisdictional owner and operator of a national bank that operates branches primarily in the states of Ohio, Pennsylvania, Michigan and Florida.

18. Beginning in late 2007 or early 2008, it became apparent to certain members of the banking industry that there was an impending crisis in what has become known as the “subprime lending market” that could endanger the financial stability of banking and investment companies.

19. In a well-publicized series of events, National City was one of the first institutions to recognize the magnitude of the subprime problem and took numerous steps to ensure its ability to remain in business, including, *inter alia*, (a) raising approximately one billion six hundred million dollars (\$1,600,000,000) in January 2008 through the issuance of debt and convertible preferred stock, and (b) raising a further seven billion dollars (\$7,000,000,000) in May 2008 through the issuance of common shares to the Majority Shareholders that diluted the then-existing shareholders of National City (the “Capital Infusion”).

Materially False and Misleading Statements Issued During 2008

20. During and after the Capital Infusion, National City continuously made statements to the public about the effect of the capital infusions, the steps taken between May 1 and October 24 that were designed ensure its long term stability, the fact that its well-capitalized position gave it the highest Tier 1 capital levels in the industry (which was attributable to the Majority Shareholder's investment), its ability to maintain its independence, its financial stability and the fact that as one of the first institutions to raise capital in the current financial crisis, it had positioned itself to act in the best interests of shareholders to maintain the option of remaining in business for the long term. In particular, the facts and circumstances in the three weeks prior to October 24, 2008, surrounding National City's public statements regarding its participation in the federal bailout of financial institutions appear to have been in direct contravention to and disregard of the position taken by federal regulators who had authority with respect to the mechanics of the bailout, who made National City aware of the fact that it would not be permitted to participate in the federal bailout and specifically suggested that it should find a merger partner. The failure to disclose this information, as well as making specific statements that implied that National City had the option to participate in this program constitutes a violation of both federal securities laws and state fraud statutes. It is now apparent that all of those statements were materially false and misleading, and further induced the Plaintiff and thousands of other unsuspecting shareholders to purchase and/or retain stock of National City.

21. On approximately September 19, 2008, the United States government unveiled a plan to rescue national banks known as the Troubled Assets Relief Program,

or “TARP” pursuant to which the United States Treasury would provide capital to institutions affected by the financial crisis in multiple unspecified ways, including without limitation the purchase of preferred stock or other securities by the government, or potentially the direct purchase of impaired loans. The TARP program was ultimately enacted as part of the Emergency Economic Stabilization Act of 2008, which passed Congress on October 3, 2008 and was signed into law on October 4, 2008.

22. On multiple occasions throughout September and October 2008, National City represented in public statements that it was interested in participating in the TARP program and in fact, during an earnings call convened as late as October 21, 2008 (just three days before the announcement of the PNC merger identified below), National City’s Chairman of the Board, President and CEO made the following statement:

With respect to the TARP capital program that was announced last week, I think what we’d say at this point is we are interested in it and analyzing what the implications would be for our shareholders of participating. As we said a number of times, prior to that program being announced I don’t think we felt that we were in a position of needing more capital.

But, given the announcement of the program and trying to understand the landscape as it will impact broadly the industry, I will tell you we’re in analysis mode and studying it and attempting to determine whether we think applying for that capital would be in the best interest of our shareholders or not.

This statement echoed prior statements of the CEO, the CFO and other agents and representatives of National City which represented that National City was well-capitalized and in a position to apply to participate in the TARP program.

23. In fact, contrary to the repeated statements of National City, National City management was aware throughout October that its ability to participate in TARP was uncertain. Further, the federal government notified National City at least as early as

October 14 that it was not likely to qualify for participation in the Capital Purchase Program, a significant component of TARP. Further, as of no later than October 14, National City management concluded that it would be unlikely to avail itself of any component of the relief being made available under TARP. National City nevertheless continued to misrepresent its eligibility and potential participation thereafter.

24. On or about October 24, 2008, suffering from financial losses and confronted by its inability to participate in TARP, National City agreed to a buyout from PNC Financial Services Group, Inc. (“PNC”), in which PNC (or a subsidiary) will buy National City Corp for \$5.2 to \$5.6 Billion in stock after receiving U.S. Treasury funds. Under the terms of the agreement, National City shareholders would receive 0.0392 share of PNC common stock for each share of National City stock for a total sale price of approximately \$5.2 billion. Based on the October 23, 2008 closing price of PNC stock, the value National City shareholders are to receive is approximately \$2.23 per share. National City’s common stock closed at \$2.75 per share on October 23, 2008—meaning the proposed merger calls for National City shareholders to exchange their shares at a 19% discount to the previous day’s closing price.

25. Following the announcement of the merger with PNC, in multiple public statements by National City, PNC and government officials, the following “facts” have been alleged to exist which in part have given rise to this lawsuit:

▶ In the weeks prior to the announced merger, the Comptroller of the Currency, as the chief regulator of National City, ordered it to find a buyer. National City failed to disclose the existence of this order. That omission was a materially false and misleading fact that induced shareholders to purchase National City stock.

▶ According to published reports, the loan loss reserves of National City are so far less than the required amount to pay the anticipated loan

losses that the capital base of National City will be wiped out after the merger as PNC writes off the bad loans. If these statements are true, the prior statements by National City that it was among the most well-capitalized institutions in its industry were materially false and misleading. If the statements are not true, then there may be a conspiracy to defraud the Plaintiff class by paying inadequate consideration. A substantial part of the discovery in this case will focus on the evaluation of the loan loss reserves of National City, and which figure was accurate, namely the estimate on October 23 or the estimate by PNC which was referred to on or about October 26.

► That the federal government told National City, prior to its CEO making contrary public statements, that National City would not be allowed to participate in the TARP program nor would the government buy preferred stock of National City. These material facts make the subsequent statements that National City was looking at its options under the TARP program materially false and misleading.

26. On or about November 21, 2008, National City issued a Notice of Special Meeting of Shareholders and Proxy Statement, a true and correct copy of which is attached hereto as Exhibit 2, containing the following further disclosures, revelations and admissions surrounding National City's material misstatements:

► At an **October 2** meeting of the National City board of directors, there was extensive discussion of management's review of strategic alternatives in light of risks facing National City. **Management indicated that one of the alternatives was participation in the TARP, but that there was no assurance that the legislation would be enacted or implemented on a timely basis, that National City would be eligible or that the terms of participation would be consistent with National City's objectives.**

► At a Sunday, **October 12**, meeting of the National City board of directors, management reviewed the current situation, including the fact that none of the potential transaction partners appeared to remain interested in pursuing a strategic transaction with National City at that time. **The board of directors discussed the continuing uncertainty of National City's participation in the TARP and the terms and timing of the TARP generally**, as well as the possibility and timing of private sales of high-risk real estate assets coupled with raising new capital and other deleveraging transactions, which we refer to as the stand-alone proposals.

▶ On Tuesday, **October 14**, the Treasury Department announced the Capital Purchase Program, or CPP, under the TARP. Under this program, the Treasury Department would, subject to certain terms and limits, make direct capital investments in selected financial institutions in the form of the issuance of Tier 1 nonvoting preferred stock and warrants exercisable for common stock. In addition, the FDIC announced two new programs, the first to insure, without limit, certain non-interest-bearing transaction accounts and the second to guarantee certain debt issuances by banking institutions. **National City management promptly contacted Federal regulators to express interest in participating in the CPP and the liability guarantee program, and was advised by the regulators that National City's access to the CPP and the FDIC liability guarantee with respect to senior holding company and bank debt was uncertain.** Moreover, based on government focus on the CPP and taking into account discussions with the OCC, **management believed that the period of time required to implement the TARP's asset purchase program could be lengthy and that as a result National City was unlikely to be able to avail itself of that program, if at all, on a timely basis.**

▶ On Sunday, **October 19**, management concluded that, taking into account the views of the Federal Reserve and OCC on National City's financial condition and other factors, **it was likely that National City would not be permitted to participate in the CPP, that full access to the liability guarantee program with respect to National City's senior holding company and bank debt was uncertain, and that it must find a merger partner quickly in order to avoid further regulatory action against National City Bank. This conclusion was reviewed and discussed at length with the National City board of directors at a scheduled meeting in Cleveland the same day.**

▶ On Wednesday, **October 22**, counsel for the potential acquiror delivered a draft of the proposed transaction documentation to Sullivan & Cromwell. That evening, the board of directors reconvened and management reported on the status of negotiations and that the draft transaction documentation differed in a number of significant respects, particularly relating to the greater conditionality, from certain other recent transactions. Management informed the board of directors that the potential acquiror had strongly urged that a transaction be announced prior to market-open on October 24, and that, in light of discussions with the OCC, management had concluded that meeting this schedule for announcement was critical. **In particular, management understood from discussions with the OCC that the Treasury Department could be announcing new banks receiving capital in the very near future under the CPP, and management and the board were concerned about the market's interpretation of the absence of National City from that announcement.**

Exhibit 2, pp. 42-44 (emphasis added).

Applicability of Presumption of Reliance: Fraud on The Market Doctrine

27. At all relevant times, the market for National City's common stock was an efficient market for the following reasons, among others:

- (a) National City's stock met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient and automated market.
- (b) As a regulated issuer, National City filed periodic public reports with the SEC and the NYSE;
- (c) National City regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services;
- (d) National City was followed by several securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

28. As a result of the foregoing, the market for National City's stock promptly digested current information regarding National City from all publicly-available sources and reflected such information in the price of National City's stock. Under these circumstances, all owners of National City's stock suffered similar injury and a presumption of reliance applies.

No Safe Harbor

29. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. Many of the specific statements pleaded herein were not identified as

“forward-looking statements” when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, National City is liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of National City who knew that those statements were false when made.

COUNT I

Plaintiffs v. National City Corporation
Securities Fraud Based Upon a Misrepresentation in
Violation of Section 10(b) and/or Rule 10b-5 of the 1934 Securities Exchange Act

30. Plaintiff repeats the foregoing paragraphs as if fully set forth herein.

31. From May through October 2008, National City made various misstatements and misrepresentations of material fact as complained of herein, including without limitation statements that it was eligible to participate in the TARP program and that its loan loss reserves were adequate to cover anticipated losses.

32. The foregoing statements were false and untrue.

33. National City acted knowingly and with scienter in making the foregoing statements.

34. National City’s misstatements and misrepresentations were made in connection with and/or related to and affected a sale of securities, namely, the stock of National City.

35. National City made the misstatements and misrepresentations by means of the mails or some other device or instrumentality of interstate commerce, or of any facility of any national securities exchange.

36. Plaintiffs reasonably relied on National City's misstatements and misrepresentations, and such reliance is presumed as a matter of law.

37. Plaintiffs suffered injury, including money damages, as a direct and proximate result of National City's misstatements and misrepresentations.

COUNT II

Plaintiffs v. National City Corporation **Securities Fraud Based Upon Omission or Failure to Disclose in Violation of Section 10(b) and/or Rule 10b-5 of the 1934 Securities Exchange Act**

38. Plaintiff repeats the allegations in the foregoing paragraphs as if fully set forth herein.

39. From May through October 2008, National City made various omissions as complained of herein, including the failure to disclose that it was ordered by the Comptroller of the Currency to find a buyer, that it was told that it was not going to be permitted to participate in the TARP program, that its loan loss reserves were as underfunded as has been alleged in news reports and that its capital base (and therefore its book value) was in danger of being completely eroded by bad loans and/or investments.

40. National City's omission or failure to disclose concerned one or more material facts.

41. National City made the omission knowingly, or with reckless disregard for the truth thereof, and with the intent to deceive or defraud.

42. National City made the omission in connection with and/or related to and affected a sale of securities, namely, the stock of National City.

43. National City made the omission by means of the mails or some other device or instrumentality of interstate commerce, or of any facility of any national securities exchange.

44. National City owed Plaintiffs a duty to disclose the correct state of affairs.

45. National City's omission created a material misimpression, which induced Plaintiffs to purchase and/or retain the security at issue.

46. National City's material omission proximately caused Plaintiff to suffer monetary damage.

COUNT III
Plaintiffs v. All Defendants
Breach of Fiduciary Duty

47. Plaintiff repeats the foregoing paragraphs as if fully set forth herein.

48. On or about May 1, 2008, National City raised approximately \$7,000,000,000 in additional capital from the Majority Shareholders. At the time of the investment, there were approximately 775,000,000 outstanding shares of National City Corporation. As a direct result of the investment, in September 2008, the number of outstanding shares was increased to approximately 2,030,000,000, diluting the existing shareholders to a 30% ownership stake and making them collectively a minority shareholder group.

49. In the context of the current proposed merger, both management and Majority Shareholders owe to the corporation and to its minority shareholders a duty to

exercise good faith, care, and diligence to make the corporation productive, to protect the interest of the minority stockholders, and to secure and pay to all shareholders their just proportion of the income and the proceeds of corporate property..

50. As alleged herein, both management and the Majority Shareholders breached their duties to the minority shareholders, in that (i) the actual financial conditions, which resulted in Defendants' acquiescence to the proposed Merger, were materially different and worse than National City reported to the shareholders (including but not limited to facts related to the TARP program), and (ii) one or more of the Unjustly Enriched Control Group will uniquely benefit from the Merger in a way that is disproportionately better than the benefit to the minority shareholders.

51. The acts and omissions of these Defendants therefore constitute a breach of their fiduciary duties to the Plaintiff class, pursuant to which Plaintiffs are entitled to bring this action.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that judgment be entered in favor of the Plaintiff class and against Defendants as follows:

(a) Certify a Plaintiff class pursuant to Rule 23 of the Federal Rules of Civil Procedure;

(b) Award compensatory damages in favor of the Plaintiff class and against all Defendants, jointly and severally, in an amount to be proven at trial, including all interest thereon;

(c) Award plaintiffs and the class reasonable costs and expenses incurred in this action, including attorneys' fees and expert fees; and

(d) Award such other and further relief as the Court deems appropriate.

JURY DEMAND

Plaintiffs hereby requests a trial by jury.

/s/ Samuel P. Kamin

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Counsel for Plaintiffs

Date: December 23, 2008

Exhibit 1

**CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAWS**

I, Martin W. Sheerer, having personal knowledge of the facts contained in this sworn certification, being competent to testify to them, and being over the age of eighteen (18) years, hereby certify as follows:

I have reviewed the foregoing Complaint and authorized its filing.

I did not purchase the security that is the subject of the complaint at the direction of counsel in order to participate in a private action arising under the Private Securities Litigation Reform Act.

I wish to serve as lead plaintiff in this action and all other related actions that may be consolidated with it. I am willing to provide testimony at deposition and trial.

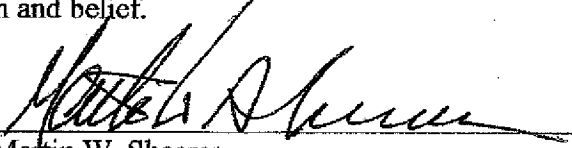
The following are all transactions by me in said security during the class period specified in the complaint:

Trade Date	Number of Shares
9/30/08	25,000
Post 9/30/08	5000

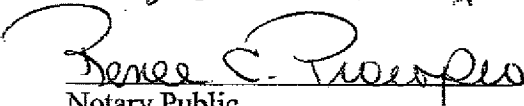
I have not filed any other actions under the federal securities laws in the last three years in which I sought to serve as a class representative.

I affirm that I will receive no payment for serving as a class representative beyond my pro rata share of any recovery, except reimbursement of expenses authorized by the Court.

I declare under penalty of perjury that the statements herein are true and correct to the best of my knowledge, information and belief.


Martin W. Sheerer

Sworn to and subscribed before me
on this ~~27th~~ ^{2nd} day of ~~October~~ ^{December}, 2008.


Notary Public

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Rene'e C. Procopio, Notary Public
Sharpsburg Boro, Allegheny County
My Commission Expires Mar. 7, 2010
Member, Pennsylvania Association of Notaries