Whereas, on December 22, 1997 American Bankers Insurance Group, Inc. ("ABI") and American International Group ("AIG") announced that they had entered into an agreement providing for the merger of ABI and a subsidiary of AIG in a stock-for-stock transaction having a value of $47 per share (the "AIG Merger Agreement"); and

Whereas, the AIG Merger Agreement contained various deal protection features, including a 120 day “no shop” provision, a 180 day “no-termination” provision, a provision requiring the payment of a $66 million termination fee to AIG in
certain circumstances, and the grant of an option to AIG to purchase up to 19.9 percent of
ABI’s common stock under certain circumstances; and

WHEREAS, on January 27, 1998, Cendant Corporation ("Cendant") announced a tender offer to purchase 51 percent of ABI shares which, if successful, would be followed by a second-step merger in which the remaining 49 percent of ABI shares would be exchanged for Cendant shares having an equivalent value; and

WHEREAS, the Cendant offer was subject to a number of conditions, including, among others, invalidation of the stock option granted by ABI to AIG and termination or invalidation of certain of the deal protection features contained in the AIG Merger Agreement; and

WHEREAS, following the announcement of the Cendant tender offer, Cendant commenced suit against ABI, AIG and members of ABI’s board of directors seeking to invalidate the stock option granted by ABI to AIG and the other deal protection features described above; and

WHEREAS, following the January 27, 1998 announcement of the Cendant tender offer, several class action complaints were filed by plaintiffs herein on behalf of putative classes comprised of all persons who owned ABI stock as of January 27, 1998, seeking damages as well as declaratory and injunctive relief for breach of fiduciary duty and violations of certain provisions of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder; and

WHEREAS, on or about February 28, 1998 ABI and AIG signed an Amended Merger Agreement, in which (a) the merger consideration to be paid by AIG was increased to $58 per share; (b) the 120-day "no shop" provision was modified to
permit ABI to provide information (subject only to the execution of an appropriate confidentiality agreement) to any bidder that made a bona fide acquisition proposal, and to enter into negotiations with any bidder (including Cendant) that made an offer superior to AIG’s $58 per share offer; (c) the 180-day “no termination” provision was shortened to 150 days; (d) ABI was granted the right to exempt Cendant (or any other bidder) that came forward (with a non-coercive acquisition proposal) from the provisions of ABI’s shareholder rights plan and Florida’s merger moratorium statute; and (e) in return for these provisions, ABI agreed to increase the amount of the termination fee payable to AIG under certain circumstances to $100 million; and

WHEREAS, the amendments described above eliminated or modified many of the deal protection features which plaintiffs herein and Cendant had previously found objectionable; and

WHEREAS, on or about March 16, 1998, Cendant increased its offer to ABI stockholders from $58 to $67 per share; and

WHEREAS, following the March 16, 1998 announcement by Cendant of the increase of its offer to $67 per share, representatives of Cendant and ABI met to discuss the terms on which ABI would agree to (a) enter into a merger agreement with Cendant and (b) terminate the Amended Merger Agreement with AIG; and

WHEREAS, on or about March 23, 1998 Cendant and ABI entered into a definitive merger agreement in which it was agreed that Cendant would purchase 23.5 million shares of ABI common stock at $67 per share pursuant to its tender offer, which would be followed by a second-step merger in which the remaining ABI shares would be exchanged for Cendant shares having an equivalent value; and
WHEREAS, in connection with the execution of a definitive merger agreement with Cendant, ABI, AIG and Cendant entered into a series of agreements whereby (a) ABI and AIG agreed to terminate their Amended Merger Agreement; (b) ABI paid AIG a $100 million termination fee, as required by the terms of the Amended Merger Agreement; and (c) Cendant paid AIG $5 million in reimbursement for certain merger-related expenses and agreed to pay AIG an additional $5 million upon consummation of the ABI-Cendant merger; and

WHEREAS, following the termination of the Amended Merger Agreement plaintiffs herein (a) filed their Consolidated and Amended Class Action Complaint, seeking damages, declaratory and injunctive relief arising out of or in connection with the Amended Merger Agreement, most notably the termination fee; and (b) agreed to enter into a stipulation with AIG pursuant to which all claims asserted against AIG and AIGF were dismissed, with court approval, as moot; and

WHEREAS, following the filing of plaintiffs' Consolidated and Amended Class Action Complaint, ABI and its board of directors filed an answer to the complaint, denying all allegations of wrongdoing and asserting eleven affirmative defenses; and

WHEREAS, on April 15, 1998, Cendant disclosed that it expected to restate its annual and quarterly net income and earnings per share for 1997 and perhaps earlier periods due to certain accounting irregularities that had been discovered; and

WHEREAS, Cendant subsequently disclosed that it would, and did in fact, restate its financial results for 1995, 1996 and 1997; and
WHEREAS, on or about October 13, 1998, Cendant and ABI announced that ABI had agreed to terminate its merger agreement with Cendant, in return for which Cendant agreed to pay, and, did in fact pay, $400 million to ABI; and

WHEREAS, on or about March 5, 1999 ABI entered into an agreement to merge with a subsidiary of Fortis, Inc., which transaction was consummated on or about August 18, 1999; and

WHEREAS, on August 31, 1999, the Court denied plaintiffs’ Motion for Class Certification with leave to refile after the filing of a Mediation Report herein; and

WHEREAS, as a result of the above-described events, the claims asserted herein have become moot and should be dismissed; and

WHEREAS, the parties have agreed that in light of the above, ABI’s shareholders should have no responsibility for the payment of any fees and expenses incurred by plaintiffs’ counsel in connection with this action, and defendants have agreed, subject to the entry of a final, nonappealable order dismissing the complaint herein, to pay a portion of the fees and expenses of plaintiffs’ counsel in the sum of $495,000; and

WHEREAS, the parties have agreed that the provision of notice of the dismissal of this action to ABI shareholders would be a time consuming, expensive exercise that is unwarranted under the circumstances present here, namely, (a) the conclusion reached by plaintiffs’ counsel that the claims herein have been rendered moot; (b) the fact that the relevant statute of limitations has not run; (c) the lack of prejudice to class members that would be occasioned by a dismissal without prejudice; (d) the fact that no other ABI shareholder has sued or sought to intervene in this litigation, either
individually or on behalf of the class; (e) the fact that no class has been certified in this action; and (f) the fact that the action has not proceeded beyond the pleadings stage;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among the undersigned counsel for the parties, that, subject to the approval of the Court, the within action is hereby dismissed, without prejudice and without costs, without the requirement that the members of the class alleged in the complaint be notified of the dismissal of this action.

Dated: November 30, 1999

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SO ORDERED:

K. Michael Moore

Dated: 12/14/99