

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

DR. DAVID BEACH and CHRISTOPHER
KELLY, individually and on behalf of all
others similarly situated,

Plaintiffs,

v.

CITIGROUP ALTERNATIVE
INVESTMENTS LLC and CITIGROUP,
INC.,

Defendants.

No. 12-cv-7717 (GHW)

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the “Settlement Agreement”) is made and entered into on August 10, 2015, by and among defendants Citigroup Alternative Investments LLC (“CAI”), Citigroup, Inc. (“Citigroup” or “Citi”) (together, the “Defendants”) and plaintiffs Dr. David Beach (“Beach”) and Christopher Kelly (“Kelly”) (together, the “Plaintiffs”) and the proposed Class (as defined herein) in the litigation captioned above (the “Litigation”). It is agreed by the undersigned counsel, on behalf of Defendants and Plaintiffs, that the Litigation and all related claims of Plaintiffs, Defendants and the Class be settled, compromised and dismissed with prejudice, except as hereinafter provided, without costs to Plaintiffs, Defendants or the Class, subject to approval by the Court, on the following agreed terms and conditions.

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SCHEDULE OF EXHIBITS

Exhibit	Description
A	Notice of Proposed Settlement of Class Action and Plan of Allocation
B	Summary Notice of Settlement and Fairness Hearing
C	Verification and Release Form
D	Proposed Order Preliminarily Approving Settlement, Authorizing Notice to the Class, and Setting Fairness Hearing
E	Proposed Judgment and Order of Final Approval

1. CERTAIN DEFINITIONS

In addition to the defined terms contained herein, the following definitions shall apply in this Settlement Agreement:

- 1.1 “Agreement” means this Settlement Agreement.
- 1.2 “Authorized Claimant” means a Claimant who submits a timely and valid Verification and Release Form to the Settlement Administrator that is approved for payment from the Settlement Fund.
- 1.3 “Beach” means Plaintiff Dr. David Beach.
- 1.4 “CAFA Notice” means a notice of the Settlement in compliance with the requirements of the Class Action Fairness Act, 28 U.S.C. § 1715, et seq. (“CAFA”), to be served upon the appropriate State official of each State and the Attorney General of the United States.
- 1.5 “CAI” means Defendant Citigroup Alternative Investments, LLC.
- 1.6 “Citi” or “Citigroup” means Defendant Citigroup, Inc.
- 1.7 “Claimant” means a Putative Class Member who submits a Verification and Release Form to the Settlement Administrator seeking to share in the proceeds of the Settlement Fund, in accordance with requirements established or approved by the Court.
- 1.8 “Class” means the Settlement Class as defined herein.
- 1.9 “Class Counsel” shall be defined the same as “Lead Counsel.”
- 1.10 “Class Distribution Order” means an order of the Court approving the Settlement Administrator’s administrative determinations concerning the acceptance and rejection of the proofs of claim submitted and approving any fees and expenses not

previously applied for, including the outstanding fees and expenses of the Settlement Administrator, and directing payment of the Net Settlement Fund to Authorized Claimants.

- 1.11 “Class Notice” means the Notice of Proposed Settlement of Class Action and Plan of Allocation, attached as Exhibit A, and any other documents included with the Notice, which is to be sent to members of the Class.
- 1.12 “Complaint” means the Third Amended Complaint filed September 9, 2013 [ECF No. 63].
- 1.13 “Court” means the United States District Court for the Southern District of New York.
- 1.14 “CSO Ltd.” means the company with limited liability under the laws of the Cayman Islands with registration number 132648.
- 1.15 “CSO US Ltd.” means the company with limited liability under the laws of the Cayman Islands with registration number 132650.
- 1.16 “CSO Fund” means the hedge fund consisting collectively of Corporate Special Opportunities Ltd. (the “Master Fund”) and its feeder funds, including but not limited to CSO Ltd. and CSO US Ltd.
- 1.17 “Defendants” means Citigroup and CAI.
- 1.18 “Effective Date” means the date that a Judgment approving the Settlement Agreement becomes Final.
- 1.19 “Escrow Account” shall mean “Settlement Fund Escrow Account.”
- 1.20 “Final” means an order or judgment as to which there is no pending appeal, stay, motion for reconsideration or motion to vacate or similar request for relief, and as

to which the period of time for a party to seek any such appeal, stay, motion for reconsideration, or motion to vacate or similar request for relief has expired, or if any such appeal, stay, motion for reconsideration, or motion to vacate or similar request has been filed, after such appeal, stay, motion for reconsideration, or motion to vacate or similar request has been denied and the order or judgment has been upheld in all material respects and is no longer subject to review.

- 1.21 “Former Defendants” means John Havens, John Pickett, and CSO Partners Ltd. (also known as CCA Credit Europe Limited).
- 1.22 “Judgment” means a Judgment and Order of Final Approval to be entered by the Court following the settlement fairness hearing (“Settlement Hearing”) approving the Settlement, certifying the Settlement Class for settlement purposes only, approving the release of the Settled Claims, and dismissing the Settled Claims with prejudice and without costs to any party, in all material respects in the form attached hereto as Exhibit E.
- 1.23 “Kelly” means Plaintiff Christopher Kelly.
- 1.24 “Lead Counsel” means the law firms of Zamansky LLC and Kaplan Fox & Kilsheimer LLP based at the addresses in the signature blocks below.
- 1.25 “Lead Plaintiffs” means Plaintiffs Beach and Kelly.
- 1.26 “Litigation” shall mean the action filed in the United States District Court for the Southern District of New York bearing case number 12-cv-7717, currently bearing the caption on the first page of this Settlement Agreement.

- 1.27 “Net Settlement Fund” means the Settlement Fund, less all fees and expenses awarded by the Court to counsel and/or to the Lead Plaintiffs, any Taxes, and any notice and administration costs paid to the Settlement Administration Account.
- 1.28 “Participating Putative Class Member” means a Putative Class Member that does not exclude himself, herself or itself by filing a request for exclusion in accordance with the requirements set forth in the Class Notice.
- 1.29 “Parties” means Defendants and Plaintiffs collectively.
- 1.30 “Plaintiffs” means Dr. David Beach and Christopher Kelly.
- 1.31 “Plan of Allocation” means the plan for allocating the Settlement Fund as set forth in the Class Notice, attached hereto as Exhibit A, or such other plan of allocation as the Court may approve.
- 1.32 “Preliminary Approval Order” means the order, substantially in the form attached hereto as Exhibit D, to be entered by the Court that will, for the limited purposes of this Settlement, approve the Litigation to proceed as a class action, preliminarily approve the Settlement and notice to be provided to the Settlement Class.
- 1.33 “Putative Class Member” means a person or entity that is a member of the proposed Settlement Class.
- 1.34 “Publication Notice” means the Summary Notice of Settlement and Fairness Hearing, substantially in the form attached as Exhibit B.
- 1.35 “Recognized Claim” means the amount of an Authorized Claimant’s loss that is determined by the Settlement Administrator to be compensable under the Plan of Allocation.

- 1.36 “Released Parties” means those persons or entities who are released pursuant to Section 10 of this Agreement, and in the Notice.
- 1.37 “Settled Claims” shall mean Settled Class Claims and Settled Defendant Claims collectively.
- 1.38 “Settled Class Claims” means any and all claims, whether known or Unknown Claims, that were asserted or could have been asserted in the action by Plaintiffs or Putative Class Members, directly, derivatively, or in any other capacity, against the Defendants or Former Defendants, as well as each of their present or former parents, subsidiaries, affiliates, successors and assigns, and the present or former officers, directors, employees, agents, attorneys, accountants, financial advisors, commercial bank lenders, insurers, investment bankers, representatives, general and limited partners and partnerships, heirs, executors, administrators, successors and assigns of each of them, under state, federal, or foreign law, including without limitation all claims arising out of, or relating to, in whole or in part, (i) the claims or facts and circumstances asserted in this action, and (ii) the purchase, holding, sale, redemption or compulsory redemption of shares of the CSO Fund, as well as the commencement and prosecution of the Litigation (except for claims to enforce the Settlement), as set forth more fully in Exhibits A and C to this Agreement; provided, however, that Settled Class Claims shall not include counterclaims against a Former Defendant in the event a Former Defendant were to pursue a claim against Plaintiffs or their counsel for attorneys’ fees, costs, or other damages in connection with this lawsuit.. In the event of conflict between the definition of

“Settled Class Claims” in this Section and the definition used in Exhibits A and C, the definition in this Section shall govern.

1.39 “Settled Defendant Claims” means any and all claims, both known and Unknown Claims, alleged or which could have been alleged by the Defendants or Former Defendants, or any of their current or former officers, directors, employees, subsidiaries, affiliates or agents, or any current or former employee of such subsidiary, affiliate or agent, against the Plaintiffs, Lead Counsel, and any Participating Putative Class Member and any of their employees, agents, attorneys, accountants, financial advisors, insurers, representatives, general and limited partners and partnerships, heirs, executors, administrators, successors and assigns of each of them, under state, federal, or foreign law, concerning the purchase, holding, sale, redemption or compulsory redemption of shares of the CSO Fund, as well as the commencement and prosecution of the Litigation (except for claims to enforce the Settlement), as set forth more fully in Exhibits A and C to this Agreement. In the event of conflict between the definition of “Settled Defendant Claims” in this Section and the definition used in Exhibits A and C, the definition in this Section shall govern.

1.40 “Settlement” means the settlement contemplated by this Settlement Agreement.

1.41 “Settlement Administrator” means the firm of AB Data Ltd., which shall administer the Settlement for the Class, including sending a mailed Notice to Settlement Class Members, arranging for Publication Notice, processing claims, and performing such other usual and customary administrative functions as are required under this Settlement Agreement.

- 1.42 “Settlement Administration Account” means an escrow account managed by the Settlement Administrator from which administrative fees may be paid during the administration of the Settlement.
- 1.43 “Settlement Class” means, for purposes of this Settlement Agreement only, the CSO Fund investors identified in Section 2 below.
- 1.44 “Settlement Consideration” means thirteen million five hundred thousand dollars (\$13,500,000.00) in cash to be paid or caused to be paid into the Settlement Fund Escrow Account by Defendants.
- 1.45 “Settlement Fund” means the Settlement Consideration distributed to the Class as provided for herein, plus any and all interest accrued thereon.
- 1.46 “Settlement Fund Distribution Order” means the order approving the Settlement Administrator’s administrative determinations concerning the acceptance and rejection of the claims submitted herein; approving of any fees and expenses not previously applied for, including the fees and expenses of the Settlement Administrator; and directing distribution of the Net Settlement Fund to the Authorized Claimants.
- 1.47 “Settlement Fund Escrow Account” means the escrow account established by Lead Counsel for the Class upon receipt of the Settlement Consideration designated for the Class, and to which Defendants shall wire the Settlement consideration pursuant to Section 4.1 below.
- 1.48 “Settlement Fund Escrow Agent” means Zamansky LLC and Kaplan Fox & Kilsheimer LLP jointly.

- 1.49 “Settling Parties” means Plaintiffs, on behalf of themselves and the Participating Putative Class Members, and the Defendants.
- 1.50 “Supplemental Agreement” means the confidential agreement governing Defendants’ termination rights triggered by investors excluding themselves from the Class, defined more fully in Section 13.3 below.
- 1.51 “Taxes” means: (i) all federal, state, and/or local taxes of any kind on any income earned by the Settlement Fund; and (ii) the reasonable and necessary costs and expenses incurred in connection with determining the amount of, and paying, any taxes owed by the Net Settlement Fund (including, without limitation, the reasonable and necessary costs and expenses of tax attorneys and accountants).
- 1.52 “Unknown Claims” means: (i) any and all claims that Plaintiffs or any Settlement Class member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Parties, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement; and (ii) and any and all claims that any Defendant does not know or suspect to exist in his, her, or 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 the Settled Claims, the Settling Parties stipulate and agree that upon the Effective Date, Plaintiffs and Defendants shall expressly waive, and each member of the Settlement Class shall be deemed to have waived, and by operation of the 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, that 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.

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

1.53 “Verification and Release Form” means the form attached as Exhibit C.

2. CLASS DEFINITION AND CERTIFICATION

2.1 For the sole purpose of the Settlement, Defendants stipulate, agree, and consent that the Class shall be defined as:

- (a) All persons or entities who purchased, held or otherwise acquired (directly or indirectly) any class of shares in CSO US Ltd. or CSO Ltd.
- (b) The Class shall exclude Defendants Citigroup and CAI and their affiliates and successors, to the extent they invested proprietary capital, as well as Former Defendants, to the extent they or their spouse or any entity personally controlled by them invested in the CSO Fund; this exclusion is not intended to exclude investments made and/or held by Defendants or their affiliates as nominees for outside investors.
- (c) The Class shall also exclude any person who served as a member of the Board of Directors of the CSO Fund or the Board of Directors of Former Defendant CSO Partners Ltd., or any entity personally controlled by that person.

(d) The Class shall also exclude any persons who have either (i) released claims related to or arising from the subject matter of this dispute against Defendants or their affiliates and/or employees in a settlement, or (ii) have secured a final judgment from an arbitrator or a court that would preclude further litigation.

(e) The Class shall also exclude persons who affirmatively exclude themselves from the Class pursuant to the procedures described in the Notice and in Section 13.3 below.

2.2 For the sole purpose of the Settlement, Defendants stipulate, agree, and consent that the Class shall be conditionally certified pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure, and will not oppose such a motion for certification.

2.3 For the sole purpose of the Settlement, Defendants further stipulate, agree, and consent to appointment of Beach and Kelly as class representatives.

2.4 For the sole purpose of the Settlement, Defendants further stipulate, agree, and consent to the appointment of Zamansky LLC and Kaplan Fox & Kilsheimer LLP as Lead Counsel pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

3. EFFORTS TO EFFECT THIS SETTLEMENT AGREEMENT

3.1 Cooperation: Lead Counsel and Defense Counsel agree to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order, Final Approval Order, and this Settlement, and to use reasonable best efforts to effect the consummation of the Settlement. Defendants also agree to cooperate with Lead Counsel and the Settlement Administrator in the identification of Class Members, their contact information, and

determination of their account values and other financial information necessary for the calculation of the Recognized Claims and the timely distribution of the Settlement Fund.

3.2 Motion for Preliminary Approval: Promptly following execution of this Agreement, Plaintiffs shall apply to the Court for entry of the Preliminary Approval Order, which will preliminarily approve the Settlement, certify the Litigation to proceed as a class action for settlement purposes only, and appoint Lead Counsel as class counsel.

3.3 Motion for Final Approval and Entry of Final Judgment: If the Court preliminarily approves this Settlement Agreement, Plaintiffs shall submit a motion for final approval of this Settlement by the deadline provided in the Preliminary Approval Order, after appropriate notice to the Class, and shall seek entry of the final Judgment.

4. SETTLEMENT FUND

4.1 In full and complete settlement of the Settled Class Claims, within ten (10) business days after the Court enters the Preliminary Approval Order, the Defendants shall pay by wire transfer the Settlement Consideration to the Settlement Fund Escrow Account. The Defendants are each jointly and severally liable to pay the Settlement Consideration without regard to liability. The Settlement Fund Escrow Agent shall provide complete wire transfer instructions to Defendants at least three (3) business days after the Court enters the Preliminary Approval Order.

4.2 The Settlement Fund shall be used to pay all fees and expenses awarded by the Court to counsel and/or Lead Plaintiffs, any Taxes, and any notice and administration costs. The remaining balance shall be the Net Settlement Fund and shall be distributed to Authorized Claimants as provided herein in Section 8 below.

4.3 The obligations incurred pursuant to this Agreement shall be in full and final disposition and settlement of all Settled Class Claims. All payments made to Authorized Claimants pursuant to the Plan of Allocation as approved by the Court, the fees and expenses of counsel and/or to Lead Plaintiffs as awarded by the Court, and all administrative and other approved expenses of the Settlement, including Taxes, shall be paid from the Settlement Fund. The Settlement Consideration is the lone monetary responsibility of the Defendants, and members of the Settlement Classes who do not timely seek to exclude themselves from the Settlement Classes shall look solely to the Net Settlement Fund for satisfaction of any and all Settled Claims.

4.4 The Settlement Fund 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 Settlement Fund is distributed pursuant to this Agreement and/or further order of the Court. Until such time as the Settlement and Judgment become Final, the Settlement Fund may only be held as cash in an interest-bearing account (or invested in United States Treasury Bills with a maturity of 90 days or less) in an account held at a nationally recognized financial institution.

5. USE AND ADMINISTRATION OF THE ESCROW ACCOUNT

5.1 The Escrow Account will be a “Qualified Settlement Fund” within the meaning of Treasury Regulation § 1.468B-1. The Escrow Agent shall be solely responsible for ensuring that the Escrow Account comply with the requirements and regulations governing Qualified Settlement Funds, for filing any tax returns for the Settlement Funds, and for paying all Taxes owed with respect to the Settlement Funds.

5.2 The Escrow Agent will bear all responsibility and liability for managing the Settlement Funds for the benefit of the Settlement Class, and cannot assign or delegate its

responsibilities without approval of the Court. Statements of account will be prepared on a regular basis until the Judgment becomes Final.

5.3 All interest on the Settlement Fund will accrue for the benefit of the Settlement Class, so long as the Settlement becomes Final, until distribution of the Net Settlement Fund is made to the Settlement Class after the Judgment becomes Final.

5.4 After the Judgment becomes Final, all costs and Taxes shall be paid out of the Escrow Account. Any remaining reasonable and necessary costs of administration, notice to the Settlement Classes, and Taxes shall be paid out of the Settlement Administration and Escrow Accounts without further order of the Court. Under no circumstances shall Lead Plaintiffs or Lead Counsel have any responsibility for such costs.

5.5 In the event the Settlement and Judgment do not become Final or the Settlement is terminated as provided herein, within seven (7) business days of entry of the order rendering the Settlement and Judgment non-Final or notice of the Settlement being terminated, all monies held in the Escrow Account, including interest earned, less amounts spent on claims administration and notice, shall be returned to Defendants. Once the Settlement becomes Final, no monies shall revert to the Defendants.

6. USE AND ADMINISTRATION OF SETTLEMENT ADMINISTRATION ACCOUNT

6.1 Upon deposit of the Settlement Consideration into the Escrow Account, the Escrow Agent may advance up to \$100,000 to the Settlement Administration Account in order to pay some of the estimated reasonable and necessary notice and administration costs. No other disbursements from the Escrow Account will occur until the Judgment becomes Final absent agreement of the Parties and approval from the Court.

6.2 After the Judgment becomes Final, any remaining monies in the Settlement Administration Account shall be transferred back to the Escrow Account and then distributed to the Class. In the event the Settlement and Judgment do not become Final or the Settlement is terminated as provided herein, within seven (7) business days of entry of the order rendering the Settlement and Judgment non-Final or notice of the Settlement being terminated, all monies held in the Settlement Administration Account, including interest earned, shall be returned to the Escrow Account.

6.3 Without prior approval from the Court or the Defendants, the Settlement Administrator may pay from the Settlement Administration Account the reasonable and necessary costs and expenses associated with administering the Settlement, including without limitation identifying and notifying members of the Settlement Class.

7. PLAN OF ALLOCATION AND ADMINISTRATION OF THE SETTLEMENT

7.1 The Settlement Administrator shall administer the Settlement Fund subject to the jurisdiction of the Court and pursuant to this Agreement and the Plan of Allocation.

7.2 The Plan of Allocation is not a necessary term of this Agreement or the Settlement, and any change, modification, or alteration to the Plan of Allocation by the Court shall not be grounds for termination of the Settlement. The Plan of Allocation is to be considered by the Court separately from its determination of the fairness, reasonableness, and adequacy of the Settlement as set forth in the Agreement.

7.3 Any Participating Putative Class Member who does not submit a timely and valid Verification and Release Form will not be entitled to receive any of the proceeds from the Net Settlement Fund, but will otherwise be bound by all of the terms in this Agreement and the Settlement, including the terms of the Judgment to be entered in the Litigation and the releases

provided for herein, and will be barred from bringing any action concerning the Settled Class Claims.

7.4 Except for the obligation to cooperate as set forth in Section 3.1 above, in no event shall the Defendants have any responsibility for the administration of the Settlement.

7.5 This is not a claims-made settlement. Defendants shall have no right to the return of any portion of the Settlement Consideration, irrespective of the number of Class Members who receive payments, the collective estimated damages of Authorized Claimants, or the percentage recovery of estimated damages.

7.6 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 (subject to Court order) shall apply:

- (a) Each Participating Putative Class Member shall be required to submit a valid Verification Form and Release by the date specified in the Notice. Any Participating Putative Class Member who fails to submit a Verification Form and Release by such date shall be forever barred from receiving any payment pursuant to this Agreement, but shall in all other respects be bound by all of the terms of this Agreement and the Settlement including the terms of the Judgment to be entered in the Litigation and the releases provided for herein, and will be barred from bringing any action against the Parties concerning the Settled Class Claims.
- (b) Provided that it is received before the motion for the Settlement Fund Distribution Order is filed, a Verification Form and Release 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 provided in the Notice. In all other cases, the Verification Form and Release shall be deemed to have been submitted when actually received by the Settlement Administrator.

- (c) Each Verification and Release Form shall be submitted to and reviewed by the Settlement Administrator, who shall determine in accordance with this Agreement the extent, if any, to which each Claimant is an Authorized Claimant.
- (d) The administrative determinations of the Settlement Administrator accepting or rejecting claims shall be presented to the Court on notice to the Parties, for approval by the Court in the Settlement Fund Distribution Order.
- (e) Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant's claim, 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 Participating Putative Class Member and the amount of any Recognized Claim. No discovery shall be allowed on the merits of the Litigation or Settlement in conjunction with the processing of claims.
- (f) Payment pursuant to this Agreement shall be deemed final and conclusive against all Participating Putative Class Members. All Participating Putative Class Members whose claims are not approved by the Court shall be barred from participating in the distribution from the Settlement Fund,

but otherwise shall be bound by all of the terms of this Agreement and the Settlement, including the terms of the Judgment to be entered in this Litigation and the releases provided for herein, and will be barred from bringing any action against the Parties concerning the Settlement Class Claims.

- (g) All proceedings with respect to the administration, processing, and determination of claims and 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 this Court.

8. DISTRIBUTION OF THE SETTLEMENT

8.1 The Settlement Administrator shall determine and allocate to each Authorized Claimant that Authorized Claimant's Recognized Claim as directed by the Plan of Allocation. The Defendants shall have no involvement in, or responsibility for, reviewing, challenging, or approving any Verification and Release Form, nor in distributing the Net Settlement Fund.

8.2 After the Effective Date, Lead Counsel shall apply to the Court, on notice to the Defendants, for the Settlement Fund Distribution Order.

8.3 The Settlement Fund shall be distributed to the Authorized Claimants, pursuant to the Settlement Fund Distribution Order, only after the Effective Date and after:

- (a) all Claims have been processed;
 - (b) all matters with respect to attorneys' fees, costs, and disbursements have been resolved by the Court, and such resolution by the Court is Final;
- and

(c) all costs of administration have been paid.

9. ATTORNEYS' FEES AND EXPENSES

9.1 Lead Counsel may collectively apply to the Court for an award of attorneys' fees and expenses of counsel and/or Lead Plaintiffs (the "Fee Application"). To the extent that Lead Counsel incur expenses subsequent to the filing of the Fee Application, Lead Counsel can apply for reimbursement of those expenses.

9.2 This Agreement is not conditioned on Defendants' agreement to support the Fee Application or any aspect thereof. However, Defendants shall not oppose the Fee Application in bad faith or for vexatious reasons.

9.3 Upon Court approval of the awards of attorneys' fees and expenses to counsel, such awards (the "Fee and Expense Awards") shall be paid to counsel within three (3) business days after the entry of the later of (a) the Court's order granting the Fee and Expense Awards, and (b) the Judgment.

9.4 If the Effective Date does not occur or if this Settlement Agreement is terminated, then any Fee and Expense Awards are no longer payable. In the event that any portion of the Fee and Expense Awards are paid from the Settlement Fund, and the Effective Date does not occur or this Agreement is terminated, each Lead Counsel, respectively, shall have the obligation to, and shall within ten (10) business days from the event which precludes the Effective Date from occurring or the termination of the Agreement, refund to the Settlement Fund the Fee and Expense Awards, paid to each Lead Counsel, respectively, and in addition shall pay into the Settlement Fund interest on the amount refunded at the average rate earned on the Settlement Fund from the time of payment of the Fee and Expense Awards until the date of refund. Lead Counsel, as a condition of receiving such Fee and Expense Awards, agrees that they are subject to the jurisdiction

of the Court for purposes of enforcing the provisions of this Paragraph 9.4 and Paragraph 9.5 below.

9.5 If any Fee and Expense Award is reduced or reversed on appeal, Lead Counsel receiving such Fee and Expense Award shall have the obligation to, and shall within ten (10) business days from the date of a Final order by the Court of Appeals or the Supreme Court directing such reduction or reversal, make such refunds as are required by such Final order, and such funds shall be distributed by the Escrow Agent to the Settlement Class in the manner directed in the Final order.

9.6 The procedure for and the allowance or disallowance by the Court of any application by Lead Counsel for attorneys' fees and expenses is not a necessary term of the Settlement or this Agreement and it is not a condition of this Agreement that any particular application for attorneys' fees or expenses be approved.

9.7 Should the Court approve any awards of fees and/or expenses to Lead Plaintiffs (separate and apart from the Fee and Expense Award to counsel), those awards shall be paid to Lead Plaintiffs within three (3) business days after the Effective Date.

10. MUTUAL RELEASE OF CLAIMS

10.1 Upon the Effective Date of this Settlement, Lead Plaintiffs and Participating Putative Class Members (whether or not they submit a Verification and Release Form or share in the Settlement Fund), on behalf of themselves and their heirs, executors, administrators and assigns, and any person(s) they represent, shall be deemed by this Settlement to, and shall, release, waive, dismiss, and forever discharge the Settled Class Claims, and shall be deemed by this Settlement to, and shall be forever enjoined from prosecuting each and every one of the Settled Class Claims. It is an important element to the Parties' participation in this Settlement

that they obtain the fullest possible release from liability to each other relating to the Settled Class Claims and Settled Defendant Claims, and it is the intention of the Parties that any liability of the Parties relating to the Settled Class Claims and Settled Defendant Claims be eliminated.

10.2 Upon the Effective Date of this Settlement, Defendants, on behalf themselves and their heirs, executors, administrators and assigns, and any person(s) they represent, as well as any of their current and former officers and directors, shall be deemed by this Settlement to, and shall release, waive, dismiss, and forever discharge the Settled Defendant Claims, and shall be deemed by this Settlement to, and shall be forever enjoined from prosecuting each and every one of the Settled Defendant Claims.

11. NOTICES

If any Party is required to give notice to any other Party under this Agreement, such notice shall be in writing and shall be deemed to have been duly given upon receipt of hand-delivery, overnight courier, or facsimile transmission with confirmation of receipt, and shall be addressed as follows:

To Plaintiffs and the Class:

Jacob H. Zamansky, Esq.
ZAMANSKY LLC
50 Broadway, 32nd Floor
New York, NY 10004
(212) 742-1414

-and-

Frederic S. Fox, Esq.
David A. Straite, Esq.
KAPLAN FOX & KILSHEIMER LLP
850 Third Avenue
New York, NY 10023
(212) 687-1980

To Defendants:

Audra J. Soloway, Esq.
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
1285 Avenue of the Americas
New York, NY 10019
(212) 373-3000

12. EFFECTIVE DATE OF SETTLEMENT: The Effective Date of this Settlement shall be the first business day on which all of the following shall have occurred or been waived:

- (a) entry of the Preliminary Approval Order, which shall be in all material respects substantially in the form set forth in Exhibit D annexed hereto;
- (b) payment of the Settlement Consideration into the Escrow Account;
- (c) approval by the Court of the Settlement, following notice to the Settlement Class and the Settlement Hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure; and

- (d) a Judgment, which shall be in all material respects substantially in the form set forth in Exhibit E annexed hereto, will have been entered by the Court and will have become Final.

13. TERMINATION

13.1 The Parties shall have the right to terminate the Settlement and this Agreement by providing written notice of their election to do so to all other Parties within ten (10) calendar days of:

- (a) the Court's declining to enter the Preliminary Approval Order in any material respect;
- (b) the Court's refusal to approve the Agreement or any material part of it;
- (c) the Court's declining to enter the Judgment in any material respect; or
- (d) the date upon which the Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court of the United States.

Any order of the Court or any appellate court with respect to the application(s) for or award(s) of attorneys' fees and expenses to Lead Counsel or Lead Plaintiffs, or any order concerning the Plan of Allocation, shall not be grounds for termination.

13.2 In addition to all of the rights and remedies that Lead Plaintiffs have under the terms of this Agreement, Lead Plaintiffs shall also have the right to terminate the Settlement in the event that the Defendants do not pay the Settlement Consideration in the time period provided for in Section 4.1 above.

13.3 In addition to the grounds set forth in Section 13.1 above, the Defendants shall have the right to terminate the Settlement and render it null and void in the event that Members of the Settlement Class timely and validly requesting exclusion from the Settlement Classes meet the conditions set forth in the Supplemental Agreement, which is being executed concurrently herewith, in accordance with the terms of that agreement. Unless otherwise ordered by the Court, the Supplemental Agreement shall be treated as confidential and shall not be disclosed to any Member of the Settlement Classes or person or entity, other than the Parties' respective counsel. The Supplemental Agreement shall not be filed with the Court, unless a dispute arises as to its terms, or unless requested or ordered by the Court. If submission of the Supplemental Agreement is required for resolution of a dispute or is otherwise ordered by the Court, Lead Plaintiffs and the Defendants will propose to have the Supplemental Agreement submitted to the Court *in camera* or under seal.

13.4 If an option to withdraw from and terminate this Agreement and Settlement arises under this Section: (i) neither the Defendants nor Lead Plaintiffs (as the case may be) will be required for any reason or under any circumstance to exercise that option; and (ii) any exercise of that option shall be made in good faith, but in the sole and unfettered discretion of the Defendants or Lead Plaintiffs, as applicable. Any decision to withdraw from and terminate this Agreement and Settlement by Defendants requires the consent of both Defendants (or, in the case of Lead Plaintiffs' decision, both Lead Plaintiffs).

13.5 If the Settlement is terminated pursuant to the terms hereof, the Settlement Fund, together with any interest earned thereon, less any Taxes paid or due with respect to such

income, and less any Notice and Administration Expenses actually incurred or paid, shall be returned to the Defendants in the proportion contributed by each Defendant.

14. STAY AND RESUMPTION OF LITIGATION

The Parties agree that all further proceedings related to the Litigation shall be stayed during the course of the Settlement proceedings, but shall promptly recommence in a reasonable manner to be approved by the Court if the Settlement is not preliminarily or finally approved by the Court or the Settlement does not otherwise become effective.

15. MISCELLANEOUS

15.1 Governing Law: The construction, interpretation, operation, effect and validity of this Agreement, and all documents necessary to effectuate it, shall be governed by the internal laws of the State of New York without regard to conflict of laws, except to the extent that federal law requires that federal law govern.

15.2 Jurisdiction: Without affecting the finality of the Judgment entered in accordance with this Agreement, the Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Agreement and Judgment, and the Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Agreement and Judgment.

15.3 No Party is the Drafter: This Agreement shall not be construed more strictly against one Party than another 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 among the Parties.

15.4 Integration:

- (a) All of the Exhibits attached hereto are material and integral parts hereof and are hereby incorporated by reference as though fully set forth herein.
- (b) This Settlement Agreement and its Exhibits, and the Supplemental Agreement, constitute the entire agreement among the Parties concerning the Settlement of the Litigation, and no representations, warranties, or inducements have been made by any Party concerning this Agreement and its exhibits other than those contained and memorialized in such documents.

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

15.6 No Admission; Non-Evidentiary Use

- (a) Defendants have denied, and continue to deny, any and all allegations and claims asserted in the Litigation, and Defendants are entering into this Settlement solely in order to eliminate the burden, expense, and uncertainties of further litigation.
- (b) This Settlement Agreement represents a compromise of disputed claims and the negotiations, discussions, and communications in connection with or leading up to and including the Settlement are not and shall not be construed as admissions or concessions by any of the Parties, either as to any liability or wrongdoing or as to the merits of any claim or defense. Neither the existence of this Settlement Agreement nor any of its

provisions shall be offered or received against or to the prejudice of any party or its agents in the Litigation or in any other action, arbitration or proceeding as admissions or concessions of liability or wrongdoing of any nature on the part of the other Party, or as admissions or concessions concerning the merits of any claim or defense, other than in connection with any action, motion or proceeding to enforce the terms of this Settlement Agreement.

- (c) The Parties understand that there are no admissions of liability by the Defendants and they shall, in good faith, endeavor to communicate the terms of the settlement in a manner that is respectful of the fact that no final adjudication of fault was determined by a court or jury.
- (d) The parties and their respective counsel may file this Settlement Agreement and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, statute of limitations, statute of repose, good-faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim, or to effectuate any liability protection granted them under any applicable insurance policy. The Parties may file this Settlement Agreement and/or the Judgment in any action that may be brought to enforce the terms of this Settlement Agreement

and/or the Judgment. All Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement.

- (e) The Parties agree that each, and their respective counsel, has complied fully with the strictures of Rule 11 of the Federal Rules of Civil Procedure.

15.7 Execution in Counterparts: This Agreement may be executed in one or more counterparts, including signature transmitted by facsimile or in PDF format. Each Party agrees to preserve the original of any signature page transmitted electronically at least until Final Judgment. Each counterpart when so executed shall be deemed to be an original, and all such counterparts together shall constitute the same instrument.

15.8 Binding on Successors and Assigns: This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their successors and assigns.

15.9 All Changes in Writing: This Agreement may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by parties or their successors or assigns.

15.10 Prior Agreements Survive: All agreements made and orders entered during the course of the Litigation relating to the confidentiality of information shall survive this Agreement.

15.11 Class Action Fairness Act: Defendants shall be solely responsible for compliance with any CAFA Notice requirements and (if required) shall take steps to comply with such notice requirements in as expeditious a manner as possible so as to not cause delay in the scheduling of a final settlement approval hearing.

15.12 Authority: All counsel and all other persons executing this Agreement or any of the exhibits hereto, or any incorporated 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 Agreement to effectuate its terms.

15.13 No Reliance on Other Representations: The Parties warrant that, in entering into this Settlement, they relied solely upon their own knowledge and investigation, and not upon any promise, representation, warranty, or other statement by any other Party, not expressly contained in this Agreement or any of the incorporated Settlement documents.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto through their fully authorized representatives have agreed to this Settlement Agreement as of the date first written above.

KAPLAN, FOX & KILSHEIMER LLP

By: 

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Attorneys for Defendants

Exhibit A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DR. DAVID BEACH and CHRISTOPHER KELLY,
individually and on behalf of all others similarly
situated,

Plaintiffs,

v.

CITIGROUP ALTERNATIVE INVESTMENTS LLC
and CITIGROUP, INC.,

Defendants.

No. 12-cv-7717 (GHW)

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION
AND PLAN OF ALLOCATION**

A Federal Court Authorized This Notice.¹ This Is Not A Solicitation From A Lawyer.

TO: ALL PERSONS WHO PURCHASED, HELD, OR OTHERWISE ACQUIRED SHARES OF ANY CLASS IN **CSO LTD.** OR **CSO US LTD.** (THE “FEEDER FUNDS”), INCLUDING ANY AND ALL OF THEIR RESPECTIVE SUCCESSORS-IN-INTEREST, PREDECESSORS, LEGAL REPRESENTATIVES, TRUSTEES, EXECUTORS, ADMINISTRATORS, HEIRS, ASSIGNEES, OR TRANSFEREES, IMMEDIATE AND REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON BEHALF OF, OR CLAIMING UNDER, ANY OF THEM, AND EACH OF THEM, AND THE LEGAL REPRESENTATIVES, AGENTS, AFFILIATES, HEIRS, SUCCESSORS, AND ASSIGNS OF THE ABOVE.²

- PLEASE READ THIS NOTICE CAREFULLY.
- IF YOU WISH TO COMMENT IN FAVOR OF THE SETTLEMENT OR OBJECT TO THE SETTLEMENT, YOU MUST FOLLOW THE DIRECTIONS IN THIS NOTICE.
- YOU MAY BE ELIGIBLE TO RECEIVE MONEY FROM THE SETTLEMENT OF THIS LAWSUIT.
- YOUR LEGAL RIGHTS MAY BE AFFECTED BY THIS LAWSUIT.

¹ A copy of this Notice may be found at www.csohedgefundsettlement.com.

² All capitalized terms that are not defined in this Notice have the meaning ascribed to them in the Settlement Agreement dated August 10, 2015 which is available on the website established for the Settlement at www.csohedgefundsettlement.com

- TO RECEIVE MONEY FROM THIS SETTLEMENT, YOU MUST SUBMIT A VALID VERIFICATION OF CLAIM AND RELEASE FORM (“VERIFICATION FORM”) POSTMARKED OR SUBMITTED BY EMAIL ON OR BEFORE [DATE].
- IF YOU DO NOT WISH TO PARTICIPATE IN THE SETTLEMENT, YOU MAY REQUEST TO BE EXCLUDED FROM THE SETTLEMENT BY SUBMITTING A VALID REQUEST FOR EXCLUSION FORM THAT MUST BE POSTMARKED ON OR BEFORE [DATE].
- IF YOU RECEIVED THIS NOTICE ON BEHALF OF A SETTLEMENT CLASS MEMBER WHO IS DECEASED, YOU SHOULD PROVIDE THE NOTICE TO THE AUTHORIZED LEGAL REPRESENTATIVE OF THAT SETTLEMENT CLASS MEMBER.

This Notice is being sent pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of New York (the “District Court”) to inform you: (a) of a class action lawsuit that is pending in the District Court under the above caption (the “Action”) against (i) Citigroup Alternative Investments LLC (“CAI”) and (ii) Citigroup, Inc. (“Citigroup”) (collectively, the “Defendants”); (b) that the Action has been certified by the District Court to proceed as a class action on behalf of the Class of investors who purchased, held or otherwise acquired shares in CSO Ltd. and CSO US Ltd. (the “Feeder Funds”)³; and (c) a proposed settlement (the “Settlement”) has been reached by the Parties in the Action. The District Court has preliminarily approved the Settlement, whose terms are set forth in the Settlement Agreement, which is available at www.csohedgefundsettlement.com. You have received this Notice because Citigroup’s records indicate that you may be a member of the Class. This Notice is designed to inform you of your rights, how you can submit a Verification Form, and how you can comment in favor of the Settlement or object to the Settlement. If the Settlement is finally approved by the District Court, the Settlement will be binding upon you, unless you exclude yourself, even if you do not submit a Verification Form to obtain money from the Net Settlement Fund and even if you object to the Settlement. The Settlement resolves the Class’s claims asserted against all the Defendants.

There will be a hearing on the Settlement (the “Settlement Hearing”) before the Honorable Gregory H. Woods, United States District Court Judge, at [time] on December [], 2015, in Courtroom 12C of the Thurgood Marshall United States Courthouse, 40 Foley Square, New York, New York.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY CLAIMS OR DEFENSES BY ANY OF THE PARTIES. IT IS BASED ON STATEMENTS OF THE PARTIES AND IS SENT FOR THE SOLE PURPOSE OF INFORMING YOU OF THE EXISTENCE OF THE LAWSUIT AND OF THE FINAL SETTLEMENT HEARING ON A PROPOSED SETTLEMENT SO THAT YOU MAY MAKE APPROPRIATE DECISIONS AS TO STEPS YOU MAY, OR MAY NOT, WISH TO TAKE IN RELATION TO THE LAWSUIT.

³ The “Class” as certified by the Court, consists of: All persons or entities who purchased, held, or otherwise acquired (directly or indirectly) any class of shares in CSO US Ltd. or CSO Ltd. The Class shall exclude Defendants Citigroup and CAI and their affiliates and successors, to the extent they invested proprietary capital, as well as Former Defendants in the Litigation, to the extent they or their spouse or any entity personally controlled by them invested in the CSO Fund; this exclusion is not intended to exclude investments made and/or held by Defendants or their affiliates as nominees for outside investors. The Class shall also exclude any person who served as a member of the Board of Directors of the CSO Fund or the Board of Directors of Former Defendant CSO Partners Ltd., or any entity personally controlled by that person. The Class shall also exclude any persons who have either (i) released relevant claims related to or arising from the subject matter of this dispute against Defendants or their affiliates and/or employees in a settlement, or (ii) have secured a final judgment from an arbitrator or a court that would preclude further litigation. The Class shall also exclude persons who affirmatively exclude themselves from the Class pursuant to the procedures described in this Notice (collectively, “Excluded Persons”).

I. BACKGROUND OF THE LAWSUIT

During the relevant period of 2004 to 2008, alternative investment products were sold by CAI to clients of Citigroup and its affiliates, including the Corporate Special Opportunities hedge fund (“CSO Fund” or the “Fund”). The CSO Fund consisted of a master fund and three feeder funds, and it invested principally in distressed debt. A “private placement memorandum” (PPM) for the two feeder funds open to outside investors (CSO Ltd. and CSO US Ltd.) was prepared for investors in 2004, and revised in October 2006 and July 2007. The revised 2006 PPM added a “Key Man Event” (or “KME”) clause that gave all investors the right to redeem upon the resignation or termination of the fund manager’s CEO. The 2006 and 2007 PPMs represented that the Fund’s investment objective was “to generate attractive risk-adjusted returns with low volatility” and also represented that Citigroup and/or CAI would monitor the Fund’s risk profile to ensure adherence to various restrictions consistent with the Fund’s investment objective.

In May 2007, the CSO Fund offered to participate in a €7.2 billion syndicated loan arranged for a German broadcast company called ProSieben. The lead arrangers allocated €58 million to the Fund on June 29, 2007, an amount that Plaintiffs contend exceeded the CSO Fund’s entire net asset value (“NAV”) and violated at least one of the Fund’s internal investment restrictions. The investment manager attempted to cancel the ProSieben order, arguing that certain terms had been materially changed, prior to allocation. Both sides explored litigation.

In November 2007, the Fund agreed in principle to settle with the lead arrangers for €12 million, but the market value of the assets had fallen since allocation. The CEO of the investment manager disagreed with the decision and resigned on December 12, 2007. Two days later, the Fund informed investors of the CEO’s departure (and thus the triggering of the KME redemption right) and encouraged investors to stay in the Fund, representing that “the quality of the CSO fund’s overall portfolio is fundamentally sound.” A loss reserve of \$62.4 million was taken with respect to the ProSieben allocation (the “ProSieben Loss”), and this was reported to investors. Following a substantial volume of redemption requests, the Fund suspended redemptions on January 24, 2008. A compulsory redemption occurred on or about November 18, 2008, and investors lost the bulk of their investment.

Beginning in 2008, some investors commenced litigation or arbitrations, alleging that they were misled into investing or holding their CSO shares by statements allegedly made to them by employees of Citigroup affiliates. Ultimately, 11 investors commenced or threatened to file individual actions. In October 2012, CSO Ltd. feeder fund investor Dr. David Beach commenced this class action, asserting contract, fraud and negligent misrepresentation claims. CSO US Ltd. investor Christopher Kelly joined as an additional plaintiff in September 2013.

On March 7, 2014, after several motions to dismiss, United States District Court for the Southern District of New York ruled that certain fraud and aiding and abetting claims may proceed against Citigroup and CAI, but dismissed claims against two UK-based defendants on jurisdictional grounds, and dismissed contract and negligence claims. On October 27, 2014, the plaintiffs moved to certify the proposed class of investors, and on June 3, 2015, after fact discovery had substantially concluded, the remaining parties notified the Court of an agreement to settle, and formally moved for approval of a final settlement agreement on August 10, 2015.

Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to

eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by any of the Defendants. The District Court has not ruled on the merits of whether the Defendants violated any other laws or rules.

Plaintiffs and Defendants, and their counsel, have concluded that the Settlement is advantageous, considering the risks and uncertainties to each side of continued litigation. Lead Plaintiffs and their counsel have determined that the Settlement is fair, reasonable, adequate, and is in the best interests of the Class Members.

The Settlement creates a Settlement Fund in the amount of \$13,500,000.00 USD in cash, plus interest that accrues on the fund prior to distribution. This amount represents approximately 39% of Class Members' pro-rata share of the decline in the value of the NAV of the fund attributable to the ProSieben Loss. It is not known how many investors will submit claims; furthermore, all of the Net Settlement Fund will be distributed to the Class regardless of the number of investors requesting payment (i.e., nothing reverts to Defendants regardless of the number of claims). Thus your recovery from the Settlement Fund will depend on (1) the verified value of your CSO Fund shares as of January 31, 2008, and (2) the amount of valid claims submitted by other Class Members. Under the proposed Allocation Plan, if you successfully redeemed all of your CSO Fund shares prior to January 31, 2008, you will receive no distribution from the Settlement Fund. Only those investors whose redemptions were suspended will be entitled to a share of the Settlement Fund.

Plaintiffs and Defendants do not agree on the amount of damages that would be recoverable if the Plaintiffs were to have prevailed in the Action. The issues on which the Parties disagree include: (1) the extent to which external factors, such as the global financial crisis, caused investors' losses; (2) whether the statements made or facts allegedly omitted were material, false, misleading, or otherwise actionable under applicable law; (3) whether investors reasonably relied on any allegedly misrepresented or omitted information in making their investment decision; and (4) the amount of damages, if any, that Class Members suffered as a result of Defendants' alleged misconduct.

Lead Counsel, who have been prosecuting this Action on a wholly-contingent basis since its inception, have not received any payment of attorneys' fees for their representation of the Class and they have advanced the funds to pay expenses necessarily incurred to prosecute the Action. Lead Counsel will apply to the District Court for an award of attorneys' fees not to exceed one-third of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of litigation expenses (exclusive of administration costs) paid or incurred in connection with the prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$350,000.00 USD (which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Class). Lead Counsel will also request awards to the Lead Plaintiffs in recognition of their time, effort, and expense on behalf of the Class. Any fees and expenses awarded by the District Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

Lead Plaintiffs and the Class are being represented by Zamansky LLC and Kaplan Fox & Kilsheimer LLP. Any questions regarding the Action or the Settlement should be directed to Lead Counsel, Jacob Zamansky, Esq. or Edward Glenn, Esq. at Zamansky LLC, 50 Broadway, 32nd Floor, New York, NY 10004, or Frederic S. Fox, Esq. or David A. Straite, Esq. at Kaplan Fox & Kilsheimer LLP, 850 Third Ave., 14th Floor, New York, NY 10022 or *Beach, et al. v. Citigroup Alternative Investments LLC, et al.*, Claims Administrator, c/o A.B. Data, Ltd., 600 A.B. Data Drive, Milwaukee, WI 53217.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A VERIFICATION FORM POSTMARKED OR BY EMAIL BY [DATE]	This is the only way to be eligible to receive a payment in connection with the Settlement.
EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A REQUEST FOR EXCLUSION FORM POSTMARKED NO LATER THAN [DATE]	If you exclude yourself from the Class, you will not be eligible to get any payment from the Net Settlement Fund. This is the only option that allows you to be part of any other lawsuit against any of the Defendants or the other Released Persons concerning the Released Claims (defined below).
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION NO LATER THAN [DATE]	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the Fee and Expense Application, you may write to the District Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the Fee and Expense Application unless you are a Class Member and do not exclude yourself.
GO TO THE SETTLEMENT HEARING ON DECEMBER [], 2015 AT [time] AND FILE A NOTICE OF INTENTION TO APPEAR NO LATER THAN [date], 2015	Filing a written objection and notice of intention to appear allows you to speak in the District Court about the fairness of the Settlement, the Plan of Allocation, and/or the Fee and Expense Application. If you submit a written objection, you may (but do not have to) attend the hearing and speak to the District Court about your objection.
DO NOTHING	If you are a member of the Class and you do not submit a Verification Form by [date], you will not be eligible to receive any payment from the Net Settlement Fund. You will, however, remain a member of the Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any Judgments or Orders entered by the District Court pertaining to the Action.

II. TERMS OF THE SETTLEMENT

The Settlement Agreement setting forth the terms of the Settlement provides for the following:

A. Why Did I Get This Notice?

This Notice is being sent to you pursuant to an order of the District Court because you, someone in your family, or an investment account for which you serve as a custodian may have purchased, held or otherwise acquired shares in one or both of two CSO Fund feeder funds (CSO US Ltd. or CSO Ltd.). The District Court has directed us to send you this Notice because, as a potential Class Member, you have a right to know about your options before the District Court rules on the proposed Settlement. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the District Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by the Parties and approved by the Court will make payments pursuant to the Settlement and the court-approved Plan of Allocation after any objections and appeals are resolved. This Notice is also being sent to inform you of a hearing to be held

by the District Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Distribution, and the Fee and Expense Application.

In a class action lawsuit, the court selects one or more people, known as class representatives, to sue on behalf of all people with similar claims, commonly known as the class or the class members. A class action lawsuit is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. Once the class is certified, the court must resolve all issues on behalf of the class members, except for any Persons who choose to exclude themselves from the class. In this Action, the District Court appointed Plaintiffs to serve as “Lead Plaintiffs” under a federal law governing lawsuits such as this one, and approved Plaintiffs’ selection of the law firms of Zamansky LLC and Kaplan Fox & Kilsheimer LLP to serve as Class Counsel. The District Court has certified the Action to proceed as a class action and certified the Plaintiffs as representatives for the Class.

This Notice does not express any opinion by the District Court concerning the merits of any claim in the Action. The District Court has to decide whether to approve the Settlement. If the Court approves the Settlement and the Plan of Allocation, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. Please be patient.

B. What Does The Settlement Provide?

Defendants shall cause to be delivered to Class Counsel, a check or wire transfer in the amount of \$13,500,000.00 USD, which will earn interest for the benefit of the Class (the “Settlement Fund”), and all Class Members who do not validly exclude themselves from the Class (*see* section II.G below) will release all Released Claims (*see* section IV.B below).

C. Am I Included In The Settlement?

You are included in the Class if you purchased, held or otherwise acquired (directly or indirectly) any class of shares in CSO Ltd. or CSO US Ltd.; the Class excludes, however, Defendants Citigroup and CAI and their affiliates and successors, to the extent they invested proprietary capital, as well as Former Defendants in the Litigation, to the extent they or their spouse or any entity personally controlled by them invested in the CSO Fund; this exclusion is not intended to exclude investments made and/or held by Defendants or their affiliates as nominees for outside investors. The Class shall also exclude any person who served as a member of the Board of Directors of the CSO Fund or the Board of Directors of Former Defendant CSO Partners Ltd., or any entity personally controlled by that person. The Class shall also exclude any persons who have either (i) released relevant claims related to or arising from the subject matter of this dispute against Defendants or their affiliates and/or employees in a settlement, or (ii) have secured a final judgment from an arbitrator or a court that would preclude further litigation. The Class shall also exclude persons who affirmatively exclude themselves from the Class pursuant to the procedures described below (collectively, “Excluded Persons”).

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT FUND. IF YOU ARE A CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE VERIFICATION FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND, IF YOU DISPUTE THE ACCOUNT INFORMATION INCLUDED THEREWITH, ANY REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN, POSTMARKED OR SUBMITTED BY EMAIL NO LATER THAN [DATE].

D. What Might Happen If There Were No Settlement?

If there were no Settlement and Plaintiffs failed to establish any essential legal or factual element of their claims against the Defendants, neither they nor the Class would recover anything from the Defendants. Also, if the Defendants were successful in proving any of their defenses, the Class could recover substantially less than the amounts provided in the Settlement, or nothing at all.

E. What Is The Legal Effect Of The Settlement On My Rights?

If you are a member of the Class, the Settlement will affect you. If the District Court grants final approval of the Settlement, the Action will be dismissed with prejudice and all Class Members will fully release and discharge the Defendants from all claims for relief arising out of or based on Plaintiffs' allegations. When a Person "releases" claims, that means that Person cannot sue the Defendants for any of the claims covered by the release. If you are a Class Member and you submit a valid and timely Verification Form, you will receive a payment based upon the distribution formula described below or as otherwise approved by the Court.

F. What Will I Receive From The Settlement?

At this time, it is not possible to make any determination as to how much a Class Member may receive from the Settlement. Pursuant to the Settlement, Defendants shall cause to be delivered to Lead Counsel a check or wire transfer in the amount of \$13,500,000.00 USD (the "Settlement Amount"). The Settlement Amount will be deposited into an interest-bearing escrow account. If the Settlement is approved by the District Court, the Net Settlement Fund (*i.e.*, the Settlement Fund less: (a) all federal, state, and local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing Notice to Class Members and administering the Settlement on behalf of Class Members; and (c) any attorneys' fees and expenses awarded by the District Court) will be distributed to Class Members as set forth in the proposed Plan of Allocation, or such other plan as the District Court may approve.

After approval of the Settlement by the District Court and upon satisfaction of the other conditions to the Settlement, the Net Settlement Fund will be distributed to Authorized Claimants in accordance with the Plan of Allocation approved by the District Court. Under the proposed Plan of Allocation, your share of the Net Settlement Fund will depend on: (1) the value of CSO Ltd. or CSO US Ltd. shares you held on January 31, 2008; (2) the expense of administering the claims process; (3) attorneys' fees and expenses awarded by the District Court; (4) interest income received and taxes paid by the Settlement Fund; and (5) the number of eligible Class Members who submit timely and valid Verification Forms.

The Net Settlement Fund will not be distributed until the District Court has approved a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

Neither the Defendants nor any other Person that paid any portion of the Settlement Fund is entitled to get back any portion of the Net Settlement Fund once the District Court's Final Approval Order and Judgment approving the Settlement becomes final. Defendant Releasees will not have any liability, obligation, or responsibility for the administration of the Settlement or disbursement of the Net Settlement Fund or the Plan of Allocation.

Approval of the Settlement is independent from approval of the Plan of Allocation. Any determination with respect to the Plan of Allocation will not affect the Settlement, if approved.

Each Person wishing to participate in the distribution must timely submit a valid Verification Form establishing membership in the Class, verifying their account balance(s) (i.e., reported values of their CSO Fund shares) as of January 31, 2008; or alternatively, proposing a different value and including all required documentation to support the alternative claim, postmarked or submitted on or before [**date**]. Verification Forms may be submitted by email to info@csohedgefundsettlement.com or to the address set forth in the Verification Form that accompanies this Notice.

Unless the District Court otherwise orders, any Class Member who fails to submit a valid Verification Form postmarked or emailed on or before [**date**], shall be fully and forever barred from receiving payments pursuant to the Settlement, but will in all other respects remain a Class Member and be subject to the provisions of the Settlement Agreement that is approved, including the terms of any judgment entered and releases given.

The District Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Class Member on equitable grounds.

Each Claimant shall be deemed to have submitted to the jurisdiction of the District Court with respect to his, her, or its Verification Form. Upon request of the Claims Administrator, each Person that submits a Verification Form shall subject his, her, or its Claim to investigation as to his, her, or its status as a Claimant and the allowable amount of his, her, or its Claim.

Persons that are excluded from the Class by definition or that exclude themselves from the Class will not be eligible to receive a distribution from the Net Settlement Fund and should not submit a Verification Form.

Proposed Plan of Allocation

The Net Settlement Fund will be distributed to Class Members who submit valid, timely Verification Forms. If you purchased, held, or otherwise acquired any class of shares in CSO Ltd. or CSO US Ltd., you are a Class Member unless you meet one of the criteria for exclusion. If you held shares in either feeder fund as of January 31, 2008, and if you otherwise fit the definition of a Class Member, you will be paid a *pro rata* portion of the Net Settlement Fund based on your account balance(s) as verified in the Verification Form or otherwise established through proper documentation. Payment in this manner shall be deemed conclusive against all Authorized Claimants. All shares will be treated equally, regardless of date purchased.

Distributions will be made to Authorized Claimants after all Verification Forms have been processed and after the District Court has finally approved the Settlement. It is intended that the entire Net Settlement Fund will be distributed to all Authorized Claimants leaving no remaining balance for redistribution, and no amount will revert to Citigroup regardless of how many Class Members submit valid Verification Forms.

Payment pursuant to the Plan of Allocation, or such other plan as may be approved by the District Court, shall be deemed conclusive against all Authorized Claimants. No Person shall have any claim against Lead Plaintiffs, Lead Counsel, Defendants, and their respective counsel or any of the other Released Persons, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Settlement Agreement, the Plan of Distribution approved by the District Court, or further orders of the District Court. Except as otherwise provided in the Settlement Agreement, Lead Plaintiffs, Defendants, and their respective counsel, and all other Released Persons shall have no responsibility or liability

whatsoever for the investment or distribution of the Settlement Funds, the Net Settlement Fund, the Plan of Allocation, or the determination, administration, calculation, or payment of any Verification Form or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.

The Plan of Distribution set forth herein is the plan that is being proposed by Lead Plaintiffs and Lead Counsel to the District Court for approval. The District Court may approve this Plan of Distribution as proposed or it may modify the Plan of Distribution without further notice to the Class. Any orders regarding a modification of the Plan of Distribution will be posted on the Settlement website, www.csohedgefundsettlement.com.

G. What If I Do Not Wish To Be Included In This Settlement?

If you do not wish to be included in the Class and you do not wish to participate in the Settlement, you may request to be excluded. To do so, you must timely submit a valid Request for Exclusion that must (a) be properly completed and postmarked on or before [**date**], (b) state the price(s), and number of CSO Fund shares held as of January 31, 2008, and (c) be signed by you or your authorized representative. The Court may request further documentation evidencing your holdings of CSO Fund shares if deemed necessary. The Request for Exclusion should be mailed to the address set forth in this Notice.

DO NOT SUBMIT BOTH A VERIFICATION FORM AND A REQUEST FOR EXCLUSION. IN THE EVENT THAT YOU TIMELY SUBMIT BOTH A VALID VERIFICATION FORM AND AN OTHERWISE VALID REQUEST FOR EXCLUSION, THE REQUEST FOR EXCLUSION FORM WILL BE DEEMED NULL AND VOID AND THE VERIFICATION FORM WILL BE DEEMED OPERATIVE.

If you timely and validly request exclusion from the Class, (a) you will be excluded from the Class, (b) you will not share in the proceeds of the Settlement described herein, (c) you will not be bound by any judgment entered in the Action, and (d) you will not be precluded, by reason of your decision to request exclusion from the Class, from otherwise prosecuting an individual claim, if timely, against the Defendants based on the matters complained of in the Action. The Defendants may withdraw from and terminate the Settlement if Class Members who held in excess of a certain amount or value of CSO Fund shares exclude themselves from the Class.

H. What If A Settlement Class Member Is Deceased?

The authorized legal representative(s) of a Class Member may receive a recovery on behalf of the Class Member.

I. What If I Held CSO Fund Shares On Someone Else's Behalf?

If you held CSO Fund shares for the beneficial interest of a Class Member, you are requested to either (a) send copies of the Verification Form to the beneficial owners of the shares within fourteen (14) business days from the receipt of the Notice, and provide written confirmation to the Claims Administrator of such; or (b) provide the names and addresses of such persons or entities to *Beach, et al. v. Citigroup Alternative Investments LLC, et al.*, Claims Administrator, c/o A.B. Data, Ltd., 600 A.B. Data Drive, Milwaukee, WI 53217. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Verification Form to the beneficial owners. Upon full compliance with this request, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the out-of-pocket expenses for which reimbursement is sought.

J. How And What Do I Do To Make Sure The Claims Administrator Has My Correct Address?

If your address changes from the address to which this Notice was directed, you must notify the Claims Administrator of your new address as soon as possible. Failure to keep the Claims Administrator informed of your address may result in the loss of any monetary award you might be eligible to receive. Please send your new contact information to the Claims Administrator at the address listed below and include your old address, new address, new telephone number, date of birth (for natural persons), and appropriate tax identification number. These last two items are required so that the Claims Administrator can verify that the address change is from an actual Class Member.

Beach, et al. v. Citigroup Alternative Investments LLC, et al.

Claims Administrator
c/o A.B. Data, Ltd.
600 A.B. Data Drive
Milwaukee, WI 53217

K. What Are The Plaintiffs' and Counsels' Fees And Costs?

At the Settlement Hearing, Lead Counsel will request that the District Court award attorneys' fees not to exceed one-third of the Settlement Fund, plus expenses (exclusive of administration costs) not to exceed \$350,000.00 USD, which were incurred in connection with the litigation of the Action, plus interest thereon, which may include the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Class, plus interest on such expenses at the same rate as earned on the Settlement Fund. Whatever amount is approved by the Court as legal fees and expenses will be paid from the Settlement Fund. To date, Lead Counsel has not received any payment for their services in conducting this Action nor has Lead Counsel been reimbursed for their substantial expenses. Lead Counsel will also request awards to the Lead Plaintiffs in recognition of their time, effort, and expense on behalf of the Class.

L. How Will the Notice Costs and Expenses Be Paid?

Lead Counsel is authorized by the Settlement Agreement to use the Settlement Fund to pay the Claims Administrator's fees and expenses incurred in connection with giving notice, administering the Settlement, and distributing the Net Settlement Fund to Class Members.

M. What if I Have Already Received a Distribution from the CSO Fund?

The Settlement Fund is established for the benefit of Class Members, defined above to include investors who purchased, held or otherwise acquired shares in CSO Ltd. or CSO US Ltd., except those investors specifically excluded according to the criteria described above. If you fully redeemed your shares prior to January 31, 2008, you are a Class Member, but may not be entitled to any portion of the Settlement Fund. If you only redeemed a portion of your shares, that prior partial redemption will not affect your status as a Class Member, and might not exclude you from a share of the Settlement Fund. Likewise, any investor whose redemption rights were suspended in January 2008 were later compulsorily redeemed in November 2008, and this Settlement provides additional payments to supplement any amounts received in the November 2008 compulsory redemption. If, however, you received a distribution as a result of individual litigation or arbitration, you would be excluded from the Class if you meet the definition for exclusion above.

III. PLAINTIFFS AND PLAINTIFFS' COUNSEL SUPPORT THE SETTLEMENT

Plaintiffs and their Counsel believe that the claims asserted against the Defendants have merit. Plaintiffs and their Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against these Defendants through trial and appeals, as well as the difficulties in establishing liability and damages at trial. Plaintiffs and their Counsel have also taken into account the possibility that the District Court would not certify the Class and that the claims asserted in the Action might have been dismissed on a motion for summary judgment, and have considered issues that would have been decided by a jury in the event of a trial of the Action, including whether certain of the Defendants acted with an intent to mislead investors, whether all of the Class Members' losses were caused by the alleged misrepresentations or omissions, and the amount of damages. Plaintiffs and their Counsel have considered the uncertain outcome and trial risk in complex lawsuits like this one, and that, even if they were successful, after the resolution of the appeals that were certain to be taken (which could take years to resolve), there may not be any funds in an amount significantly larger or even as much as the Settlement.

In light of the value of the Settlement and the immediacy of a cash recovery to the Class, Plaintiffs and their Counsel believe that the proposed Settlement is fair, reasonable, and adequate. Indeed, Plaintiffs and their Counsel believe that the Settlement achieved is an excellent result and in the best interests of the Class. The Settlement, which provides an immediate \$13,500,000.00 USD in cash (less the various deductions described in this Notice), individually and collectively provides substantial benefits now as compared to the risk that similar, smaller, or no recoveries would be achieved after a trial and appeals, possibly years in the future.

IV. WHAT OPPORTUNITY WILL I HAVE TO GIVE MY OPINION ABOUT THE SETTLEMENT?

A. How Can I Object To The Settlement, Plan of Allocation, and Fee and Expense Application?

Any Class Member who does not request exclusion may object to the Settlement, the proposed Plan of Allocation, and/or the Fee and Expense Application. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Southern District of New York at the address set forth below on or before [**date**]. Your written objection should include all reasons for the objection, including any legal and evidentiary support you wish to bring to the Court's attention. The objection must also include your name, address, telephone number, and the number and class of CSO Fund shares you held, including proof of your purchase or holdings. You must also serve the papers on designated representative Lead Counsel and Defendants' Counsel at the addresses set forth below so that the papers are *received on or before* [**date**].

To be considered, your objection must be filed with the Office of the Clerk's Office no later than [**date**], to:

<u>Clerk's Office</u>	<u>Defendants' Counsel</u>	<u>Lead Counsel</u>
<p>Clerk of the Court United States District Court Southern District of New York Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007</p> <p>Re: <i>Beach, et al. v. Citigroup Alternative Investments LLC, et al.</i>, 12-cv-7717 (GHW)</p>	<p>PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP Brad S. Karp Lewis R. Clayton Audra J. Soloway Paul A. Paterson 1285 Avenue of the Americas New York, NY 10019</p>	<p>ZAMANSKY LLC Jacob H. Zamansky Edward H. Glenn, Jr. 50 Broadway, 32nd Floor New York, NY 10004</p> <p>and</p> <p>KAPLAN FOX & KILSHEIMER LLP Frederic S. Fox David A. Straite 850 Third Avenue New York, NY 10022</p>

You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the District Court orders otherwise.

If you file an objection to the Settlement, Plan of Allocation, and/or the Fee and Expense Application you also have a right to appear at the Settlement Hearing either in person or through counsel hired by you at your own expense. You are not required, however, to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or the Fee and Expense Application, and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on the Claims Administrator at the address set forth above. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing.

Unless the District Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation and the Fee and Expense Application. Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

B. What Rights Am I Giving Up By Remaining In The Class?

If you remain in the Class, you will be bound by any orders issued by the District Court. For example, if the District Court approves the Settlement, the District Court will enter the Final Approval Order and Judgment. The Final Approval Order and Judgment will dismiss with prejudice the claims against the Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiffs and each of the other members of the Class on behalf of themselves, their respective heirs, executors, administrators, predecessors, successors, and assigns, among others, shall be deemed by operation of law to have fully granted and completely discharged, dismissed with prejudice, settled and released, and agreed to be barred by a permanent injunction from the assertion of, Released Claims against any of the Released Persons and their attorneys.

“Released Claims” means any and all claims, demands, losses, rights, causes of action, liabilities, obligations, judgments, suits, matters, and issues of any kind or nature whatsoever, whether known or Unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, that have been or could have been asserted in the Action or in any court, tribunal, forum, or proceeding (including, but not limited to, any claims arising under federal, state or foreign law, common law, statute, rule or regulation relating to alleged fraud, deceit, misrepresentation, breach of any duty, negligence, violations of the federal or state securities laws, or breach of contract), whether individual, class, direct, derivative, representative, legal, equitable, subrogation, or any other type, or in any other capacity, which, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims or any other matters, things or causes whatsoever, or any series thereof, that were, could have been, or in the future can or might be alleged, asserted, set forth, claimed, embraced, involved, or referred to in, or related to, directly or indirectly, the Action or the shares of the Feeder Funds (“Release”). This Release extends to any and/or all Released Persons. Released Claims include all Unknown Claims.

“Released Persons” means (i) each of the Defendants; (ii) any direct or indirect parent, subsidiary, affiliate, person or entity that is, was or will be related to or affiliated with any or all of them, is controlled by or under common control with any or all of them, or in which any or all of them has, had or will have a controlling interest; and (iii) the respective past, present or future family members, spouses, and heirs, as well as the respective past or present trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, shareholders, principals, officers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any opinion, underwriters, brokers, dealers, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, and associates, of each and all of the persons and entities identified in (i) and (ii) above.

“Unknown Claims” means any claim that any Class Member does not know or suspect exists in his, her, or its favor at the time of the Release as against the Released Persons, including without limitation those which, if known, might have affected the decision to enter into the Settlement. Upon the Effective Date of the Settlement Agreement, each Class Member shall be deemed to have, and by operation of the final order and judgment by the Court shall have, expressly waived, relinquished, and released any and all provisions, rights, and benefits conferred by or under California Civil Code § 1542 or any law of the United States or any state of the United States or territory of the United States, or any principle of common law or foreign law, which is similar, comparable or equivalent to § 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 have read and understand this section and each Lead Plaintiff has had the opportunity to consult, and to be advised by, counsel regarding the rights and/or benefits afforded by California Civil Code section 1542. Lead Plaintiffs fully and completely understands the rights and/or benefits afforded by California Civil Code section 1542; therefore, the foregoing release, waiver, and relinquishment of any and all rights under California

Civil Code section 1542, and any other statute(s) or common law principle(s) of similar effect, is made knowingly and voluntarily.

The Final Approval Order and Judgment will also provide that, upon the Effective Date of the Settlement, each Defendant, on behalf of himself, herself, or itself, his, her or its heirs, executors, administrators, predecessors, successors, and assigns, shall be deemed by operation of law to have fully granted and completely discharged, dismissed with prejudice, settled and released, and agreed to be barred by a permanent injunction from the assertion of Released Defendants' Claims against Lead Plaintiffs, Lead Counsel, and the other members of the Class and their respective counsel.

"Released Defendants' Claims" means any and all claims, rights, liabilities, or causes of action, 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 Action or any forum by the Defendant Releasees, against any of the Lead Plaintiffs and Lead Counsel, other members of the Class or their respective attorneys, which arise out of or relate in any way to the institution, prosecution, defense, and the settlement of the Action; *provided, however*, that the release of Lead Plaintiffs and Lead Counsel, and Settlement Class Members and their counsel, shall not include the right to enforce the Settlement Agreement. Released Defendants' Claims also do not include, release, bar, or waive claims against any Person who submits a request for exclusion from the Settlement Class and who does not withdraw his, her, or its request for exclusion and whose request is accepted by the District Court.

V. SETTLEMENT HEARING

The District Court will hold a **Settlement Hearing at [time] on [date]**, in Courtroom 12C of the United States District Court for the Southern District of New York, Thurgood Marshall United States Courthouse, 40 Foley Square, New York, New York, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The District Court will also be asked to approve the proposed Plan of Allocation and the Fee and Expense Award. The District Court may adjourn or continue the Settlement Hearing without further notice to the Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

Class Members do not need to attend the Settlement Hearing. The District Court will consider any submission made in accordance with the provisions in this Notice even if the Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing. You are not obligated to attend the Settlement Hearing.

VI. GETTING MORE INFORMATION

This Notice is a summary and does not describe all of the details of the Settlement. For precise terms and conditions of the Settlement, you may review the Agreement filed with the District Court, as well as the other pleadings and records of this litigation, which may be inspected during business hours, at the office of the Clerk of the Court, United States District Court, Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, at www.csohedgefundsettlement.com, or from Lead Counsels' websites, www.zamansky.com or www.kaplanfox.com. Class Members without access to the internet may be able to review this document online at locations such as a public library.

If you have any questions about the settlement of the Action, you may contact Lead Counsel, Jacob Zamansky, Esq. or Edward Glenn, Esq. at Zamansky LLC, 50 Broadway, 32nd Floor, New York, NY 10004, or Frederic S. Fox, Esq. or David A. Straite, Esq. at Kaplan Fox & Kilsheimer LLP, 850 Third Ave., 14th Floor, New York, NY

10022 or *Beach, et al. v. Citigroup Alternative Investments LLC, et al.*, Claims Administrator, c/o A.B. Data, Ltd.,
600 A.B. Data Drive, Milwaukee, WI 53217.

**DO NOT TELEPHONE OR WRITE THE DISTRICT COURT OR THE OFFICE OF THE CLERK OF
THE COURT REGARDING THIS NOTICE.**

DATED: AUGUST [], 2015

BY ORDER OF THE DISTRICT COURT,
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

Exhibit B

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

DR. DAVID BEACH and CHRISTOPHER
KELLY, individually and on behalf of all
others similarly situated,

Plaintiffs,

v.

CITIGROUP ALTERNATIVE
INVESTMENTS LLC and CITIGROUP,
INC.,

Defendants.

No. 12-cv-7717 (GHW)

SUMMARY NOTICE

TO: ALL PERSONS WHO PURCHASED, HELD OR OTHERWISE ACQUIRED ANY CLASS OF SHARES IN CSO LTD. OR CSO US LTD. (THE “FEEDER FUNDS”)

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Southern District of New York (the “District Court”), that a hearing will be held at [time] on December [], 2015 before the Honorable Gregory H. Woods, United States District Court Judge, in Courtroom 12C, at the Thurgood Marshall United States Courthouse, 40 Foley Square, New York, New York, for the purpose of determining (1) whether the proposed settlement of this securities class action (“Action”) for the principal amount of \$13,500,000.00 USD, plus accrued interest, should be approved by the District Court as fair, reasonable, and adequate; (2) whether the Judgment and Order of Final Approval should be entered by the District Court dismissing the Action with prejudice; (3) whether the proposed Plan of Allocation is fair, reasonable, and adequate and, therefore, should be approved; and (4) whether the Fee and Expense Application should be approved. In connection with the Fee and Expense Application, Counsel will request attorneys’ fees of no more than one-third of the Settlement Fund, plus reasonable expenses incurred in connection with the prosecution of this Action (exclusive of administration costs) not to exceed \$350,000.00 USD.

If you purchased Feeder Fund shares of any class, your rights may be affected by the settlement of the Action, even if you already received a distribution from the Feeder Fund in connection with a redemption. If you have not received a detailed Notice of Proposed Settlement of Class Action and Plan of Allocation (the “Notice”) and a copy of the Verification of Claim and Release Form, you may obtain copies by writing to *BEACH ET AL. v. CITIGROUP ALTERNATIVE INVESTMENTS LLC ET AL. CLAIMS ADMINISTRATOR c/o A.B. DATA, LTD., 600 A.B. DATA DRIVE, MILWAUKEE, WI 53217* or by calling 866-963-9976, or on the internet at www.csohedgefundsettlement.com, or from Class Counsel’s websites at www.kaplanfox.com or www.zamansky.com. If you are a Class Member, in order to share in the distribution of the Net

Settlement Fund, you must submit a Verification of Claim and Release Form, postmarked on or before [], establishing that you are entitled to recovery. Verification of Claim and Release Forms may also be submitted by email to info@csohedgefundsettlement.com on or before [date].

If you desire to be excluded from the Class, you must submit a Request for Exclusion postmarked no later than [date]. All members of the Class who have not timely and validly requested exclusion from the Class will be bound by any judgment entered in the Action pursuant to the Agreement of Settlement dated as of August 10, 2015. If you properly and timely exclude yourself from the Class, you will not be bound by any judgments or orders entered by the District Court in the Action and you will not be eligible to share in the proceeds of the Settlement.

Any objections to any aspect of the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's application for an award of attorneys' fees and reimbursement of expenses, must be filed with the District Court and delivered to the designated representatives of Lead Counsel and counsel for the Defendants such that they are *received* no later than [date], in accordance with the instructions set forth in the Notice.

PLEASE DO NOT CONTACT THE DISTRICT COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. If you have any questions, you may contact:

Co-Lead Counsel:

ZAMANSKY LLC

Jacob H. Zamansky
Edward H. Glenn, Jr.
50 Broadway, 32nd Floor
New York, NY 10004
Tel. (212) 742-1414
jake@zamansky.com
eglenn@zamansky.com

**KAPLAN, FOX & KILSHEIMER
LLP**

Frederic S. Fox
David A. Straite
850 Third Avenue
New York, NY 10022
(212) 687-7714
ffox@kaplanfox.com
dstraite@kaplanfox.com

Settlement Administrator:

**Beach et al. v. Citigroup Alternative Investments
LLC et al. Claims Administrator**

c/o A.B. DATA, LTD.
600 A.B. DATA DRIVE
MILWAUKEE, WI 53217
866-963-9976
1-414-963-3294 (outside the USA)
info@csohedgefundsettlement.com

DATED: AUGUST [], 2015

BY ORDER OF THE DISTRICT COURT,
UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK

Exhibit C

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DR. DAVID BEACH and CHRISTOPHER
KELLY, individually and on behalf of all others
similarly situated,

Plaintiffs,

v.

CITIGROUP ALTERNATIVE INVESTMENTS
LLC and CITIGROUP, INC.,

Defendants.

No. 12-cv-7717 (GHW)

VERIFICATION OF CLAIM AND RELEASE

I. GENERAL INSTRUCTIONS

1. To recover as a member of the Class based on your damages in the action entitled *Beach, et al. v. Citigroup Alternative Investments, et al.*, No. 12 Civ. 7717 (S.D.N.Y.) (the “Action”), you must complete and, on page 7 hereof, sign this Verification of Claim and Release (as used herein, the “Verification Form”). If you fail to file a properly addressed (as set forth in Paragraph I-3 below) Verification Form, your claim may be rejected and you may be precluded from any recovery from the Net Settlement Fund created in connection with the proposed Settlement of the Action.¹
2. Submission of this Verification Form, however, does not ensure that you will share in the proceeds of the Settlement in the Action.
3. **Deadline for Submission:** [date]. YOUR FAILURE TO SUBMIT YOUR VERIFICATION FORM BY [date] WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS LITIGATION. IF YOU ARE A CLASS MEMBER AND DO NOT SUBMIT A PROPER VERIFICATION FORM, YOU WILL NOT SHARE IN THE SETTLEMENT BUT YOU NEVERTHELESS WILL BE BOUND BY THE ORDER AND FINAL JUDGMENT OF THE COURT. DO NOT MAIL OR DELIVER YOUR FORM 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 FORM ONLY TO THE ADMINISTRATOR.

¹ Otherwise undefined terms have the definitions provided in the Settlement Agreement, dated August 10, 2015 (the “Settlement Agreement”).

4. YOU MUST SUBMIT YOUR COMPLETED AND SIGNED VERIFICATION FORM, POSTMARKED OR SUBMITTED BY EMAIL, ON OR BEFORE [date] ADDRESSED AS FOLLOWS:

BEACH ET AL. v. CITIGROUP ALTERNATIVE INVESTMENTS LLC ET AL.
CLAIMS ADMINISTRATOR
c/o A.B. DATA, LTD.
600 A.B. DATA DRIVE
MILWAUKEE, WI 53217

OR

info@csohedgefundsettlement.com

If you are NOT a member of the Class, as defined in the Notice of Proposed Settlement of Class Action and Plan of Allocation (the “Notice”), DO NOT submit a Verification Form.

5. If you are Class member and you do not timely request exclusion in connection with the proposed Settlement, you are bound by the terms of any judgment entered in the Action, including the releases provided herein, WHETHER OR NOT YOU SUBMIT A VERIFICATION FORM.

II. DEFINITIONS

1. “Defendants” means Citigroup Alternative Investments LLC and Citigroup Inc.
2. “Released Persons” and “Released Claims” are defined below in the Release (Section VI).

III. CLASS MEMBER IDENTIFICATION AND VERIFICATION OF ACCOUNT BALANCE

1. If you purchased any class of shares in CSO Ltd. or CSO US Ltd. (the “Feeder Funds”) and held the shares in your name, you are the beneficial purchaser, as well as the record purchaser. If, however, the shares were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.
2. In Section IV below, use Part I of the form entitled “Claimant Identification” to identify each purchaser of record, if different from the beneficial purchaser of the Feeder Fund shares that forms the basis of this claim. **THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S), OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S) OF FEEDER FUND SHARES UPON WHICH THIS CLAIM IS BASED, *NOT* THE RECORD PURCHASER.**
3. All joint purchasers must sign this Form. Executors, administrators, guardians, conservators, and trustees must complete and sign this Form on behalf of Persons represented by them and their authority must accompany this Form and their titles or capacities must be stated. The national tax identification number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of your claim.

4. Use Part II of this Claim Form, entitled “Verification of Account Balance,” to confirm whether the attached chart setting forth the account balances of your accounts as of January 31, 2008 is correct. If the balance is correct, mark the first check box. If you believe the balance is incorrect:
 - a. Mark the second check box;
 - b. Provide what you believe to be the correct figure; and
 - c. Attach documentation to support your claim.
5. The above requests are designed to provide the minimum amount of information necessary to process the simplest claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your share of the Net Settlement Fund.

IV. VERIFICATION AND RELEASE FORM

[Verification and Release Form starts on the next page]

FOR OFFICE USE ONLY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
*Beach, et al. v. Citigroup Alternative Investments
LLC, et al.*
Civil Action No. 12 Civ. 7717 (GHW)
PLEASE TYPE OR PRINT

MUST BE POSTMARKED OR
SUBMITTED BY EMAIL NO
LATER THAN:
[MONTH], [DAY], 20____

VERIFICATION AND RELEASE FORM

PART I: CLAIMANT IDENTIFICATION

Beneficial Owner's Name (LAST, First)

Joint Beneficial Owner's Name, if any
(LAST, First)

Street Address

City _____ State _____ Postal Code _____

Foreign Province _____ Foreign Country _____

National Tax ID or SSN

Email Address

Individual _____ Corporation / Other _____

Country Code _____ Telephone Number _____
(_____) _____

Record Owner's Name (if different from beneficial owner
listed above)

PART II: VERIFICATION OF ACCOUNT BALANCE

All claims will be calculated based on the account balance in each Feeder Fund as of January 31, 2008 and pursuant to the Plan of Allocation as set forth in the Notice. Attached to this Verification Form and Release is a chart setting forth the account balances of your accounts as of January 31, 2008, based on the information available to the Administrator. If you disagree with the account information provided, you may provide documentation supporting what you believe to be the correct amount for consideration by the Administrator. Simply submitting information does not guarantee that the Administrator will alter the account balance.

Please check the appropriate line below and provide your stated account balance if provided additional documentation:

I verify that I have reviewed the account balances attached and agree that those balances are correct.

- OR -

I have provided documentation to support that my account balances was \$ _____ as of January 31, 2008.

YOU MUST READ AND SIGN THE RELEASE ON PAGE 6.

Please check the box below if you prefer payment via wire transfer instead of a bank check. If you qualify as an Authorized Claimant, you may opt to receive payment via wire transfer, but only if you check the box below and contact the Claims Administrator to provide wire transfer instructions.

If I qualify as an Authorized Claimant, I prefer payment via wire transfer and will contact the Claims Administrator to provide wire transfer instructions.

V. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We) submit this Verification Form under the terms of the Settlement Agreement described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Southern District of New York with respect to my claim as a Class Member (as defined in the Notice) and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I (we) am (are) bound by and subject to the terms of any judgment that may be entered in the Action. I (We) agree to furnish additional information to Lead Counsel or the Claims Administrator to support this claim if required to do so. I (We) have not submitted any other claim covering the same purchases of shares in the Feeder Fund and know of no other Person having done so on my (our) behalf.

VI. RELEASE

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release, relinquish, and discharge, all of the Released Claims against each and all of the "Released Persons," defined as: (i) each of the Defendants; (ii) any direct or indirect parent, subsidiary, affiliate, person or entity that is, was or will be related to or affiliated with any or all of them, is controlled by or under common control with any or all of them, or in which any or all of them has, had or will have a

controlling interest; and (iii) the respective past, present or future family members, spouses, and heirs, as well as the respective past or present trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, shareholders, principals, officers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any opinion, underwriters, brokers, dealers, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, and associates, of each and all of the persons and entities identified in (i) and (ii) above.

2. “Released Claims” means any and all claims, demands, losses, rights, causes of action, liabilities, obligations, judgments, suits, matters, and issues of any kind or nature whatsoever, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, that have been or could have been asserted in the Action or in any court, tribunal, forum, or proceeding (including, but not limited to, any claims arising under federal, state or foreign law, common law, statute, rule or regulation relating to alleged fraud, deceit, misrepresentation, breach of any duty, negligence, violations of the federal or state securities laws, or breach of contract), whether individual, class, direct, derivative, representative, legal, equitable, subrogation, or any other type, or in any other capacity, which, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims or any other matters, things or causes whatsoever, or any series thereof, that were, could have been, or in the future can or might be alleged, asserted, set forth, claimed, embraced, involved, or referred to in, or related to, directly or indirectly, the Action or the shares of the Feeder Funds (“Release”). This Release extends to any and/or all Released Persons. Released Claims include all Unknown Claims.
3. “Unknown Claims” means any claim that any Class Member does not know or suspect exists in his, her, or its favor at the time of the Release as against the Released Persons, including without limitation those which, if known, might have affected the decision to enter into the Settlement. Upon the Effective Date of the Settlement Agreement, each Class Member shall be deemed to have, and by operation of the final order and judgment by the Court shall have, expressly waived, relinquished, and released any and all provisions, rights, and benefits conferred by or under California Civil Code § 1542 or any law of the United States or any state of the United States or territory of the United States, or any principle of common law or foreign law, which is similar, comparable or equivalent to § 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 have read and understand this section and each Lead Plaintiff has had the opportunity to consult, and to be advised by, counsel regarding the rights and/or benefits afforded by California Civil Code section 1542. Lead Plaintiffs fully and completely understands the rights and/or benefits afforded by California Civil Code section 1542; therefore, the foregoing release, waiver, and relinquishment of any and all rights under California Civil Code section 1542, and any other statute(s) or common law principle(s) of similar effect, is made knowingly and voluntarily.

4. Lead Plaintiffs acknowledge, and the members of the Class by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of Lead Plaintiffs, and by operation of law the members of the Class, to completely, fully, finally, and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or previously existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Lead Plaintiffs acknowledge, and the members of the Class by operation of law shall be deemed to have acknowledged, that the inclusion of Unknown Claims in the definition of Released Claims was separately bargained for, was a material element of the Settlement, and was relied upon by each and all of the Defendants in entering into the Settlement Agreement.

5. This release shall be of no force or effect unless and until the District Court approves the Settlement Agreement and it becomes effective on the Effective Date.

6. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

I (WE) DECLARE UNDER PENALTY OF PERJURY UNDER APPLICABLE LAWS AND REGULATIONS THAT THE FOREGOING INFORMATION SUPPLIED BY THE UNDERSIGNED IS TRUE AND CORRECT.

Executed this _____ day of _____, 20_____

in _____, _____.
(City) (Province/State/Country)

(Sign your name here)

(Signature of Joint Claimant, if any)

(Type or print your name here)

(Type or print name of Joint Claimant here)

Signature of Person Signing on behalf of Claimant

Print Name of Person Signing on behalf of Claimant

Capacity of Person Signing (Executor, Trustee, Custodian, etc.)

ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME. THANK YOU FOR YOUR PATIENCE.

Reminder Checklist:

1. Please sign the above release and declaration. If the Verification and Release Form is being submitted on behalf of Joint Claimants, then both must sign.
2. Remember to attach supporting documentation if you dispute the Administrator's understanding of your account balances.
3. Do not send originals of any supporting documents.
4. Keep a copy of your Verification and Release Form and all documentation submitted for your records.
5. If you desire an acknowledgment of receipt of your Verification and Release Form, please send it Certified Mail, Return Receipt Requested. If you choose to submit by email you will receive a confirmation email from the Claims Administrator upon receipt.
6. If you move, please send your new address to the Claims Administrator at the address below.
7. THIS COMPLETED AND SIGNED CLAIM FORM MUST BE POSTMARKED OR SUBMITTED BY EMAIL ON OR BEFORE [date] TO:

BEACH ET AL. v. CITIGROUP ALTERNATIVE INVESTMENTS LLC ET AL.
CLAIMS ADMINISTRATOR
c/o A.B. DATA, LTD.
600 A.B. DATA DRIVE
MILWAUKEE, WI 53217

OR

info@csohedgefundsettlement.com

Exhibit D

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DR. DAVID BEACH and CHRISTOPHER
KELLY, individually and on behalf of all
others similarly situated,

Plaintiffs,

v.

CITIGROUP ALTERNATIVE
INVESTMENTS LLC and CITIGROUP,
INC.,

Defendants.

No. 12-cv-7717 (GHW)

ECF Case

**[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT, APPROVING
NOTICE, AND GRANTING MOTION FOR CLASS CERTIFICATION
AND APPOINTMENT OF CLASS COUNSEL**

Plaintiffs Dr. David Beach and Christopher Kelly (the “Plaintiffs” or “Proposed Class Representatives”), by and through undersigned counsel, moved this Court on August 10, 2015 (the “Motion”) for an order: (i) preliminarily approving a settlement of all claims in this action on a class-wide basis; (ii) approving Plaintiffs’ request that Notice be given to members of the proposed class; (iii) granting certification of a proposed settlement class of certain former investors in the Citigroup “Corporate Special Opportunities” hedge fund (the “CSO Fund”); (iv) appointing Plaintiffs as class representatives; and (v) appointing the firms of Zamansky LLC and Kaplan Fox & Kilsheimer LLP as class counsel. In support of the Motion, the Plaintiffs have submitted a Settlement Agreement between themselves and Defendants Citigroup, Inc. (“Citigroup”) and Citigroup Alternative Investments, LLC (“CAI”) (together, the “Defendants”) dated August 10, 2015 (the “Agreement”), 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 this action.

The Court has reviewed and considered the Agreement, including the appended proposed “Notice of Proposed Settlement of Class Action and Plan of Allocation” to the class of CSO Fund investors (the “Notice”), the proposed “Summary Notice,” the proposed form of Verification and Release Form (the “Verification”), the proposed form of Order and Final Judgment, and submissions made relating thereto. The Court further understands that the Defendants do not oppose the Motion.

NOW, THEREFORE, IT IS HEREBY ORDERED, this _____ day of _____, 2015, that:

1. Where appropriate, capitalized terms used herein have the meanings defined in the Agreement.
2. This Action is *STAYED* until further notice with the exception of the deadlines outlined below. The Court finds, preliminarily and for purposes of the 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 of the Class is impracticable; (b) there are questions of law and fact common to the Class Members; (c) the claims of the Proposed Class Representatives are typical of the claims of the Class they seek to represent; (d) the Proposed Class Representatives will fairly and adequately represent the interests of the Class; (e) the questions of law and fact common to the members of the Class predominate over any questions affecting only individual members of the Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the Litigation.

Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure and for the purposes of the Settlement only, the Court hereby preliminarily certifies the following as:

- (a) All persons or entities who purchased, held, or otherwise acquired (directly or indirectly) any class of shares in CSO US Ltd. or CSO Ltd.
- (b) The Class shall exclude Defendants Citigroup and CAI and their affiliates and successors, to the extent they invested proprietary capital, as well as Former Defendants, to the extent they or their spouse or any entity controlled by them invested personally in the CSO Fund; this exclusion is not intended to exclude investments made and/or held by Defendants or their affiliates as nominees for outside investors.
- (c) The Class shall also exclude any person who served as a member of the Board of Directors of the CSO Fund or the Board of Directors of Former Defendant CSO Partners Ltd., or any entity controlled by that person.
- (d) The Class shall also exclude any persons who have either (i) released claims related to or arising from the subject matter of this dispute against Defendants or their affiliates and/or employees in a settlement, or (ii) have secured a final judgment from an arbitrator or a court that would preclude further litigation.
- (e) The Class shall also exclude persons who affirmatively exclude themselves from the Class pursuant to the procedures described in the Notice.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, preliminarily and for the purposes of the Settlement only, Proposed Class Representatives are certified as the class

representatives on behalf of the Class, and Zamansky LLC and Kaplan Fox & Kilsheimer, LLP are appointed class counsel (“Class Counsel”).

5. This action shall be re-captioned as follows, and all filings on this docket should bear this caption going forward:

IN RE: CSO HEDGE FUND LITIGATION

No. 12-cv-7717 (GHW)
ECF Case

6. If any party becomes aware of any action brought in any court by any member of the Class related to the claims in this action, they shall notify all other parties and this Court within ten (10) business days of learning of the other action (or within ten business days of the date of this Order if the party is already aware) so that the Court can consider whether coordination and/or consolidation with the class action is appropriate.

7. A hearing (the “Final Settlement Hearing”) pursuant to Federal Rule of Civil Procedure 23(e) is hereby scheduled to be held before the Court on December _____, 2015 at _____ .m. for the following purposes:

- a. to finally determine whether the Litigation satisfies the applicable prerequisites for class action treatment under Federal Rules of Civil Procedure 23(a) and (b);
- b. to finally determine whether the Settlement is fair, reasonable, and adequate, and should be approved by the Court;
- c. to finally determine whether the Order and Final Judgment as provided under the Settlement Agreement should be entered, dismissing the Complaint on the merits and with prejudice, and to determine whether the

release by the Class of the Released Parties as set forth in the Settlement Agreement, should be ordered, along with a permanent injunction barring efforts to bring any claims extinguished by the release;

- d. to finally determine whether the proposed Plan of Allocation for the distribution of the Net Settlement Fund is fair and reasonable and should be approved by the Court;
- e. to consider the application of Lead Counsel for an award of Attorneys' Fees and Expenses;
- f. to consider any Putative Class Member's objections to the Settlement; and
- g. to rule upon such other matters as the Court may deem appropriate.

8. The Court reserves the right to adjourn the Final Settlement Hearing to a later date. The Court further reserves the right to enter its Order and Final Judgment approving the Settlement and dismissing the Complaint, on the merits and with prejudice, regardless of whether it has approved the Plan of Allocation or awarded Attorneys' Fees and Expenses.

9. The Court reserves the right to approve the Settlement, with such modifications as may be agreed upon or consented to by the Parties, and without further notice to the Class where to do so would not impair Class Members' rights in a manner inconsistent with Rule 23 and due process of law.

10. The Court approves the form, substance and requirements of (a) the Notice, (b) the Summary Notice, and (c) the Verification of Claim and Release, all of which are exhibits to the Settlement Agreement.

11. Class Counsel have the authority to enter into the Settlement Agreement on behalf of the Class and are authorized to act on behalf of the Class Members with respect to all

acts or consents required by or that may be given pursuant to the Agreement or such other acts that are reasonably necessary to consummate the Settlement.

12. Class Counsel, through the Claims Administrator, shall effect the following schedule:

- a. Cause the Notice and Verification Form, substantially in the forms annexed to the Settlement Agreement, to be mailed, by first class mail, postage prepaid, within twenty-eight (28) calendar days of the entry of this Order (the "Notice Date"), to all Putative Class Members who can be identified with reasonable effort by the Claims Administrator using records of legal owners of the CSO Fund that were provided by Defendants to Class Counsel.
- b. Class Counsel, through the Claims Administrator, shall also make all reasonable efforts to give notice to nominee owners such as brokerage firms and other persons or entities who purchased CSO Fund shares. Such nominee purchasers shall make reasonable efforts to forward copies of the Notice and Verification Form to the beneficial owners. Additional copies of the Notice shall be made available to any record holder requesting same for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Settlement Fund, upon receipt by the Claims Administrator of proper documentation, for the reasonable expense of sending the Notice and Verification Form to beneficial owners.

- c. Class Counsel shall, at or before the Final Settlement Hearing, serve upon Defendants' Counsel, and file with the Court, proof of mailing the Notice and Verification Form, both to Putative Class Members and to nominees.
- d. Class Counsel, through the Claims Administrator, shall cause the Summary Notice to be published electronically once on *PR Newswire* and in print once in the *Investor's Business Daily* within fourteen (14) calendar days after the Notice Date. Class Counsel shall, at or before the Final Settlement Hearing, serve upon Defendants' Counsel and file with the Court proof of publication of the Summary Notice.
- e. The Claims Administrator shall scan and send electronically copies of all Requests for Exclusion from and Objections to the Class settlement in PDF format (or such other format as shall be agreed) to counsel for Defendants and to Class Counsel expeditiously after the Claims Administrator receives such Requests for Exclusion or Objections.
- f. In order to be entitled to participate in recovery from the Net Settlement Fund after the Effective Date, each Putative Class Member shall take the following action and be subject to the following conditions:
 - i. A properly completed and executed Verification and Release Form must be timely submitted to the Claims Administrator, at the address indicated in the Notice, postmarked not later than the deadline indicated in the Notice. Such deadline may be further extended by Order of the Court.

- ii. Each Verification and Release Form shall be deemed to have been submitted when legibly postmarked (if properly addressed and mailed by first-class mail) provided such Verification and Release Form is actually received before the filing of a motion for an Order of the Court approving distribution of the Net Settlement Fund. Any Verification and Release Form submitted in any other manner shall be deemed to have been submitted when it was actually received by the Administrator at the address designated in the Notice.
- iii. The Verification and Release Form submitted by each Putative Class Member must be properly filled out, signed and submitted in a timely manner in accordance with the provisions of the preceding subparagraph. In addition, if the Putative Class Member disputes the account balance(s) accompanying the Notice from the Claims Administrator, he must provide adequate supporting documentation for the claimed account balance(s), in the form of account statements or such other documentation as is deemed adequate by the Claims Administrator or Class Counsel. If the person executing the Verification and Release Form is acting in a representative capacity, a certification of his current authority to act on behalf of the Class Member must be provided with the Verification and Release Form. The Verification and Release Form 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.

- iv. Once the Claims Administrator has considered a timely-submitted Verification and Release Form, it shall determine whether such claim is valid, deficient or rejected. Prior to rejection of a Verification and Release Form, the Claims Administrator shall communicate with the Claimant in order to allow him/her/it to remedy curable deficiencies in the Verification and Release Form submitted. The Claims Administrator shall notify, in a timely fashion and in writing, all Claimants whose Verification and Release Forms it proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the Claimant whose claims are to be rejected has the right to review by the Court if the Claimant so desires and complies with the requirements in the Settlement Agreement. For each claim determined to be either deficient or rejected, the Claims Administrator shall send a deficiency letter or rejection letter as appropriate, describing the basis on which the claim was so determined. Persons who timely submit a Verification and Release Form that is deficient or otherwise rejected shall be afforded a reasonable time (at least ten (10) calendar days) to cure such deficiency if it shall appear that such deficiency may be cured. For the filing of and all determinations concerning their Verification

and Release Form, each Putative Class Member shall submit to the jurisdiction of the Court.

- v. All Putative Class Members who do not submit a valid and timely Verification and Release Form will be forever barred from receiving any payments from the Net Settlement Fund, but will in all other respects be subject to and bound by the provisions of the Settlement Agreement and the Order and Final Judgment, if entered.

13. Class Counsel are authorized to establish a Settlement Fund Escrow Account into which Defendants will deposit the Settlement Consideration. Class Counsel are also authorized to establish a second escrow account (the "Settlement Administration Account") which may be funded from the Settlement Fund Escrow Account and used to pay all Notice and Administration Expenses, both before and after the Effective Date of the Settlement. The amount of initial funding of the Settlement Administration Account may not exceed \$100,000.00 without approval from the Court.

14. The forms and methods set forth herein of notifying the Class of the Settlement and its terms and conditions meet the requirements of due process and Rule 23 of the Federal Rules of Civil Procedure; constitute the best notice practicable under the circumstances; and constitute due and sufficient notice to all persons and entities entitled thereto. No Class Member will be relieved from the terms of the Settlement, including the releases provided for therein, based upon the contention or proof that such Class Member failed to receive actual or adequate notice.

15. Putative Class Members shall be bound by all determinations and judgments in the Class Actions, whether favorable or unfavorable, unless such persons

request exclusion from the Classes in a timely and proper manner, as hereinafter provided. A Putative Class Member wishing to make such request shall mail it, in written form, by first class mail, postage prepaid, or otherwise deliver it, so that it is received no later than November 25, 2015 at the addresses listed in the Notice. Such request for exclusion shall clearly indicate the name and address and phone number and e-mail contact information (if any) of the person seeking exclusion, state that the sender specifically requests to be excluded from the Class, and must be signed by such person. Putative Class Members requesting exclusion are also required to specify all their purchases and sales of CSO Fund shares, including the date, number of shares and price of the shares purchased or sold, and the claimed account balance(s) as of January 31, 2008. The request for exclusion shall not be effective unless it provides the required information, is legible, and is made within the time stated above, or the exclusion is otherwise accepted by the Court. Class Counsel may contact any person or entity filing a request for exclusion, or their attorney if one is designated, to discuss the exclusion. Copies of all Requests for Exclusion received shall be delivered to Defendants' Counsel as soon as possible after receipt and no less than fourteen (14) calendar days prior to the Settlement Hearing. Copies of all written revocations of Requests for Exclusion shall be delivered to Defendants' Counsel as soon as possible after receipt and no less than ten (10) calendar days prior to the Settlement Hearing.

16. Class Members requesting exclusion from the Class shall not be entitled to receive any payment out of the Net Settlement Fund.

17. The Court will consider comments and/or objections to the Settlement, the Plan of Allocation, or the application for Attorneys' Fees and Expenses, or payments to Class Representatives, only if such comments or objections and any supporting papers are served to be received no later than November 25, 2015, upon each of the following:

THE COURT:

Clerk of the Court
United States District Court
Southern District of New York
500 Pearl St.
New York, NY 10007-1312

CLASS COUNSEL:

Any one of:

Jacob H. Zamansky, Esq.
Edward Glenn, Jr., Esq.
ZAMANSKY LLC
50 Broadway, 32nd Floor
New York, NY 10004

Frederic S. Fox, Esq.
David A. Straite, Esq.
KAPLAN FOX & KILSHEIMER LLP
850 Third Avenue
New York, NY 10022

and:

DEFENSE COUNSEL:

Brad Karp, Esq.
Audra Soloway, Esq.
PAUL WEISS RIFKIND WHARTON & GARRISON LLP
1285 Avenue of the Americas
New York, NY 10019

Attendance at the Final Settlement Hearing is not necessary but persons wishing to be heard orally in opposition to the Settlement, the Plan of Allocation, and/or the application for Attorneys' Fees and Expenses are required to indicate in their written objection (or in a separate writing that is submitted in accordance with the deadline and after instruction pertinent to the submission of a written objection) that they intend to appear at the Final Settlement Hearing and identify any witnesses they may call to testify or exhibits they intend to introduce into evidence at the Final Settlement Hearing. Class Members do not need to appear at the Final Settlement Hearing or take any other action to indicate their approval.

18. Any Class Member who does not object in the manner prescribed above shall be deemed to have waived all such objections and shall forever be foreclosed from making

any objection to the fairness, adequacy or reasonableness of the Settlement, the Order and Final Judgment to be entered approving the Settlement, the Plan of Allocation, or the application for an award of Attorneys' Fees and Expenses and a payment to Proposed Class Representatives.

19. All papers in support of the Settlement, the Plan of Allocation and any application for Attorneys' Fees or Expenses or a payment to Proposed Class Representatives shall be filed on or before November 4, 2015.

20. Any submissions filed in Reply to any objections or requests for exclusion, or in further support of the Settlement, the Plan of Allocation and any application for Attorneys' Fees or Expenses or a payment to Proposed Class Representatives, shall be filed no later than December 10, 2015.

21. The Claims Administrator shall administer and calculate the claims of Putative Class Members that it determines should be allowed and oversee distribution of the Net Settlement Fund, under the supervision of Class Counsel, and subject to appeal to, and jurisdiction of, the Court. Except as specifically provided in the Settlement Agreement, neither the Defendants nor Defendants' Counsel shall have any rights with regard to, or liability, obligation or responsibility for, the administration of the Settlement Fund or Net Settlement Fund or the distribution of the Net Settlement Fund.

22. Pending final determination of whether the Settlement should be approved, all Class Members, and each of them, and anyone acting or purporting to act for any of them, shall be enjoined from prosecuting, attempting to prosecute, or assisting others in the prosecution of, any Settled Claims.

23. The Court retains exclusive jurisdiction over the action to consider all further matters arising out of, or relating to, the Settlement, including by way of illustration and not

limitation, any dispute concerning any Verification Form and Release filed by any Class Member and any future requests by one or more of the Parties that the Final Order and Judgment, the Release and/or the permanent injunction set forth in the Agreement be enforced.

Dated: August _____, 2015

IT IS SO ORDERED.

Hon. Gregory H. Woods
United States District Judge

Exhibit E

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DR. DAVID BEACH and CHRISTOPHER
KELLY, individually and on behalf of all
others similarly situated,

Plaintiffs,

v.

CITIGROUP ALTERNATIVE
INVESTMENTS LLC and CITIGROUP,
INC.,

Defendants.

No. 12-cv-7717 (GHW)

ECF Case

[PROPOSED] FINAL ORDER AND JUDGMENT

WHEREAS:

A. As of August 10, 2015, Lead Plaintiffs Dr. David Beach and Christopher Kelly, for themselves and on behalf of all persons who are Members of the Class (collectively, the “Plaintiffs” or “Class Representatives”), on the one hand, and Defendants Citigroup Inc. (“Citigroup”) and Citigroup Alternative Investments LLC (“CAI”) (collectively, “Defendants”) on the other hand, entered into an Agreement of Settlement (the “Agreement”) in the above-titled litigation (the “Action”), 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 of the proposed settlement of the claims alleged in the Third Amended Class Action Complaint (the “Complaint”) on the merits and with prejudice (the “Settlement”).

B. Pursuant to the ORDER PRELIMINARILY APPROVING SETTLEMENT, APPROVING NOTICE, AND GRANTING MOTION FOR CLASS CERTIFICATION AND APPOINTMENT OF CLASS COUNSEL, entered August _____, 2015 (the “Preliminary

Approval Order”), the Court scheduled a hearing for December _____, 2015, at ____:____
____.m. (the “Settlement Hearing”) to, among other things: (i) determine whether the
proposed Settlement of the Action on the terms and conditions provided for in the Agreement is
fair, reasonable and adequate, and should be approved by the Court; and (ii) determine whether a
judgment as provided for in the Stipulation should be entered.

C. The Court ordered that the Notice of (i) Proposed Class Action Settlement and
Plan of Allocation; (ii) Settlement Hearing; and (iii) a Verification and Release Form
(“Verification”), substantially in the forms attached to the Settlement Agreement as Exhibits A
and C, respectively, be mailed by first-class mail, postage prepaid, within twenty-eight (28)
calendar days of the entry of the Preliminary Approval Order (the “Notice Date”), to all
Putative Class Members who can be identified with reasonable effort by the Claims
Administrator and that a Summary Notice (the “Summary Notice”), substantially in the form
attached to the Settlement Agreement as Exhibit B, be published in Investors Business Daily
and transmitted over PR Newswire within fourteen (14) calendar days of the Notice Date.

C. The Notice and the Summary Notice advised potential Members of the
Settlement Class of the date, time, place, and purpose of the Settlement Hearing. The Notice
further advised that any objection to the Settlement was required to be filed with the Court and
served on counsel for the Settling Parties such that it would be received November ____, 2015.

D. The provisions of the Preliminary Approval Order as to notice were complied
with.

E. On November ____, 2015, Lead Plaintiffs moved for final approval of the
Settlement, as set forth in the Preliminary Approval Order. The Settlement Hearing was duly

held before this Court on December _____, 2015, at which time all interested Persons were afforded the opportunity to be heard.

F. This Court has duly considered Lead Plaintiffs' motion, the affidavits, declarations, memoranda of law submitted in support thereof, the Stipulation, and all of the submissions and arguments presented with respect to the proposed Settlement.

NOW, THEREFORE, after due deliberation, IT IS ORDERED, ADJUDGED AND DECREED that:

1. This Final Order and Judgment ("Judgment") incorporates by reference the definitions in the Settlement Agreement and all capitalized terms used in this Judgment that are not otherwise defined herein shall have the same meanings as set forth in the Agreement.

2. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including all Members of the Settlement Classes.

3. The Court hereby re-affirms its determinations in the Preliminary Approval Order and finally certifies, for the purposes of the Settlement only, pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure, the Settlement Class consisting as:

- (a) All persons or entities who purchased, held, or otherwise acquired (directly or indirectly) any class of shares in CSO US Ltd. or CSO Ltd.
- (b) The Class shall exclude Defendants Citigroup and CAI and their affiliates and successors, to the extent they invested proprietary capital, as well as Former Defendants, to the extent they or their spouse or any entity personally controlled by them invested in the CSO Fund; this exclusion is

not intended to exclude investments made and/or held by Defendants or their affiliates as nominees for outside investors.

- (c) The Class shall also exclude any person who served as a member of the Board of Directors of the CSO Fund or the Board of Directors of Former Defendant CSO Partners Ltd., or any entity personally controlled by that person.
- (d) The Class shall also exclude any persons who have either (i) released claims related to or arising from the subject matter of this dispute against Defendants in a settlement, or (ii) have secured a final judgment from an arbitrator or a court that would preclude further litigation.
- (e) The Class shall also exclude persons who affirmatively exclude themselves from the Class pursuant to the procedures described in the Notice. [A list of all valid and timely requests for exclusion allowed by the Court is annexed hereto as Exhibit A.]

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the Court hereby re-affirms its determinations in the Preliminary Approval Order that: (i) Lead Plaintiffs Beach and Kelly are certified as Class Representatives for the Class; and (ii) the law firms of Zamansky LLC and Kaplan Fox & Kilsheimer LLP are appointed Class Counsel.

8. The notification provided for and given to the Class: (i) was in compliance with the Preliminary Approval Order; (ii) constituted the best notice practicable under the circumstances; (iii) constituted notice that was reasonably calculated to apprise Members of the Settlement Classes of the effect of the Settlement, of the proposed Plan of Allocation, of

Lead Counsel's request(s) for awards of attorney's fees and payment(s) of expenses incurred in connection with the prosecution of the Action, of Members of the Class's right to object to the Settlement, the Plan of Allocation, and/or Lead Counsel's request(s) for awards of attorney's fees and payment(s) of expenses incurred in connection with the prosecution of the Action, and of their right to appear at the Settlement Hearing; (iv) constituted due, adequate, and sufficient notice to all Persons entitled to receive notice of the proposed Settlement; and (v) satisfied the notice requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), and all other applicable law and rules.

9. [The Court has considered the objections to the Settlement submitted pursuant to Rule 23(e)(5) of the Federal Rules of Civil Procedure. The Court finds and concludes that each of the objections is without merit, and they are hereby overruled.]

10. In light of the benefits to the Class, the complexity, expense and possible duration of further litigation of the Action, the risks of establishing liability and damages, and the costs of continued litigation, the Court hereby fully and finally approves the Settlement as set forth in the Agreement in all respects, and finds that the Settlement is, in all respects fair, reasonable and adequate, and in the best interests of Lead Plaintiffs and the Members of the Class. This Court further finds that the Settlement set forth in the Agreement is the result of arm's-length negotiations between experienced counsel representing the interests of the Parties. The Settlement shall be consummated in accordance with the terms and provisions of the Agreement.

11. The Action and the Complaint, which the Court finds were filed on a good faith basis in accordance with Rule 11 of the Federal Rules of Civil Procedure based upon all

publicly available information, are hereby dismissed in their entirety, with prejudice, and without costs to any Party, except as otherwise provided in the Agreement.

12. The Court further finds that during the course of the Action, the parties and their respective counsel at all times complied in all respects with each requirement of Rule 11 of the Federal Rules of Civil Procedure in connection with the commencement, maintenance, prosecution, defense, and settlement of the Action.

13. Upon the Effective Date, Lead Plaintiffs and each and every other Member of the Class, on behalf of themselves and each of their respective heirs, executors, trustees, administrators, predecessors, successors, and assigns, shall be deemed to have fully, finally, and forever waived, released, discharged, and dismissed each and every one of the Settled Class Claims as against each and every one of the Released Parties and shall forever be **BARRED, ENJOINED AND RESTRAINED** from commencing, instituting, prosecuting or maintaining any and all such Settled Class Claims against any and all of the Released Parties.

14. Any and all claims for contribution or indemnity (and related claims where the injury to the Person bringing the claim is their liability to the Settlement Class) arising out of the claims or allegations of the Action or any Released Class Claim (i) by any Person against any of the Released Parties, and (ii) by any of the Released Parties against any Person, other than a Person whose liability has been extinguished by the Settlement, are hereby permanently barred, extinguished, discharged, satisfied, and unenforceable; provided, however, that nothing in this paragraph shall release or alter any rights to indemnity or contribution by or among the Defendants.

15. Each Member of the Settlement Class, whether or not such Person executes and delivers a Verification of Claim and Release Form, is bound by this Judgment, including, without limitation, the releases of claims as set forth above.

16. This Judgment and the Agreement, whether or not consummated, and any discussions, negotiations, proceedings or agreements relating to the Agreement, the Settlement, and any matters arising in connection with settlement discussions or negotiations, proceedings, or agreements, shall not be offered or received against or to the prejudice of the Parties, or their respective counsel, for any purpose other than in an action to enforce the terms hereof, and in particular:

- (a) do not constitute, and shall not be offered or received against or to the prejudice of Defendants as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by them with respect to the truth of any allegation by Plaintiffs and the Settlement Class, or the validity of any claim that has been or could have been asserted in the Action or in any litigation, including but not limited to the Released Class Claims, or of any liability, damages, negligence, fault or wrongdoing of Defendants;
- (b) do not constitute, and shall not be offered or received against or to the prejudice of Defendants 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 them, or against or to the prejudice of Plaintiffs or any other Members of the

Settlement Class as evidence of any infirmity in the claims of Plaintiffs or the other Members of the Settlement Class;

- (c) do not constitute, and shall not be offered or received against or to the prejudice of Defendants, Plaintiffs, any other member of the Settlement Class, or their respective counsel, as evidence of a presumption, concession, or admission with respect to any liability, damages, negligence, fault, infirmity or wrongdoing, or in any way referred to for any other reason against or to the prejudice of any of the Defendants, Plaintiffs, other members of the Settlement Classes, or their respective counsel, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Settlement;
- (d) do not constitute, and shall not be construed against Defendants, Plaintiffs, or any other Member of the Settlement Class, as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; and
- (e) do not constitute, and shall not be construed as or received in evidence as an admission, concession, or presumption against Plaintiffs or any other Members of the Settlement Class that any of their claims are without merit or infirm or that damages recoverable under the Complaint would not have exceeded the Settlement Amount.

17. The administration of the Settlement, and the decision of all disputed questions of law and fact with respect to the validity of any claim or right of any Person to participate in the distribution of the Net Settlement Fund, shall remain under the authority of this Court.

18. In the event that the Settlement does not become effective in accordance with the terms of the Agreement, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Agreement and shall be vacated; and in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Agreement.

19. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Agreement as circumstances warrant.

20. The Parties are hereby directed to consummate the Agreement and to perform its terms.

21. A separate order shall be entered regarding Lead Counsel's application(s) for attorneys' fees and payment(s) of expenses as allowed by the Court. A separate order shall be entered regarding the proposed Plan of Allocation for the Net Settlement Fund. Such orders shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment.

22. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (i) implementation of the Agreement and Settlement; (ii) the allowance, disallowance or adjustment of any Member of the Settlement Class's claim on equitable grounds and any award or distribution of the Settlement Fund; (iii) disposition of the Settlement Fund; (iv) hearing and determining applications for attorneys' fees, costs, interest

and payment of expenses in the Action; (v) all Parties for the purpose of construing, enforcing and administering the Agreement, Settlement and this Judgment; and (vi) other matters related or ancillary to the foregoing. There is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of the Court is expressly directed.

Dated: December _____, 2015

IT IS SO ORDERED.

Hon. Gregory H. Woods
United States District Judge