

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

WILLIAM MANNO, On Behalf Of Himself And All Others Similarly Situated,
And Derivatively On Behalf Of MAXAM ABSOLUTE RETURN FUND, L.P.,
Plaintiff,

v.

MAXAM CAPITAL GP, LLC; MAXAM CAPITAL MANAGEMENT LLC;
MAXAM CAPITAL MANAGEMENT LIMITED; and SANDRA L. MANZKE,
Defendants,

and MAXAM ABSOLUTE RETURN FUND, L.P.;
Nominal Defendant.

Civ. No. 1:10-cv-09260-LAP

**NOTICE OF PENDENCY OF CLASS AND DERIVATIVE ACTION AND PROPOSED
SETTLEMENT AND SETTLEMENT FAIRNESS HEARING**

TO: ALL LIMITED PARTNERS IN THE MAXAM ABSOLUTE RETURN FUND, L.P. ("MARF") WHO PURCHASED OR HELD INTERESTS IN MARF AND WERE LIMITED PARTNERS OF MARF AS OF DECEMBER 10, 2008, AND WHO SUFFERED A NET LOSS OF EQUITY ON THEIR INVESTMENTS ("SETTLEMENT CLASS"). YOU COULD RECEIVE A PAYMENT FROM, AND YOUR RIGHTS COULD BE AFFECTED BY, THIS PROPOSED CLASS AND DERIVATIVE ACTION SETTLEMENT ("SETTLEMENT").

A federal court authorized this Notice. This is not a solicitation from a lawyer.

The purpose of this Notice is to provide you with notice of: (a) the proposed Settlement of this class action and derivative lawsuit; (b) motions to approve the Settlement, the Plan of Allocation to distribute the Settlement proceeds, and for an award of attorneys' fees and expenses; (c) a Settlement Fairness Hearing at which the Court will consider the motions, which is scheduled for August 22, 2014; (d) information regarding how to access and inspect the motions and Settlement documents in advance of the Settlement Fairness Hearing; (e) the procedure by which recipients of the Notice may object to the Settlement, the Plan of Allocation or the request for attorneys' fees and expenses; and (f) the procedure by which recipients of the Notice may request to exclude themselves (or "opt-out") from the Settlement.

All limited partners of MARF will be deemed to be ***automatically included*** in the Settlement and will ***automatically receive payments*** under this Settlement unless they timely submit a valid request for exclusion to the Claims Administrator.

The Claims Administrator is:

MAXAM Settlement
c/o The Garden City Group, Inc.
1985 Marcus Avenue, Suite 200
Lake Success, NY 10042

The documents relating to the proposed Settlement are available for review and download from the settlement website of the Claims Administrator, <http://www.gcqinc.com/cases-info/MAM/>, and are also available at the offices of Counsel for the proposed Settlement Class, Wolf Haldenstein Adler Freeman & Herz LLP ("Class Counsel"), 270 Madison Avenue, NY, NY 10016, by appointment during ordinary business hours, and on the firm's website at www.whafh.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT

REQUEST EXCLUSION BY JULY 23, 2014	You may ask to be excluded from the Settlement Class. If you exclude yourself from the Settlement Class, you will receive no payment. This is the only option that allows you to participate in or continue with another lawsuit relating to the Released Claims in the Settlement. See response to Question No. 13 below.
OBJECT BY JULY 23, 2014	You may write to the Court if you do not like this Settlement, the Plan of Allocation, or Class Counsel's request for attorneys' fees and expenses. See responses to Question Nos. 16 and 17 below.
APPEAR AT THE SETTLEMENT FAIRNESS HEARING ON AUGUST 22, 2014	You may ask to speak in Court about the fairness of the Settlement, the proposed Plan of Allocation, or Class Counsel's request for attorneys' fees and expenses. See responses to Question No. 22 below.
DO NOTHING	If you are a Settlement Class Member, you will automatically receive a payment from the Settlement but lose the ability to pursue the Released Claims against the Released Persons. See response to Question No. 23 below.

Your legal rights are affected whether you act or do nothing. These rights and options—and the deadlines to exercise them—are explained in this Notice. Read this Notice carefully.

The Court in charge of this case must decide whether to approve the proposed Settlement. Payments under the Settlement will be made if the Court approves the Settlement and, if there are any appeals, after appeals are resolved and the Court's approval is upheld. Please be patient.

You may request further information about the lawsuit and this Notice by calling the Claims Administrator, The Garden City Group, Inc., at (631) 470-5185 or Class Counsel, Wolf Haldenstein Adler Freeman & Herz, LLP at (212) 545-4600.

SUMMARY OF IMPORTANT INFORMATION

The Settlement: The proposed Settlement, as memorialized in a Stipulation of Settlement dated April 25, 2014 (the "Stipulation"),¹ is between plaintiff William Manno ("Plaintiff"), on behalf of himself and others similarly situated, and derivatively, on behalf of MARF, and defendants MAXAM Capital GP, LLC ("MAXAM GP"), MAXAM Capital Management LLC ("MAXAM Capital"), MAXAM Capital Management Limited ("MAXAM Limited"),² and Sandra L. Manzke ("Manzke") (collectively, the "MAXAM Defendants"), and nominal defendant the MAXAM Absolute Return Fund, L.P. ("MARF").³ The Settlement resolves claims brought to recover losses caused by the exposure of the accounts of the limited partners of MARF to the Ponzi scheme perpetrated by Bernard L. Madoff ("Madoff") through Bernard L. Madoff Investment Securities LLC ("BLMIS").

The Settlement, if approved by the Court, provides for an Initial Settlement Payment of \$1,601,372.00 to be paid into a Settlement Fund on behalf of all MAXAM Defendants. Defendants have made the Initial Settlement Payment, which has been deposited into an interest-bearing account created to hold the Settlement Fund. An additional payment of \$250,000 is to be paid into the Settlement Fund if certain conditions set forth in a confidential supplemental stipulation dated April 25, 2014, among Plaintiff and Defendants ("the Settling Parties") are satisfied.

Defendants have also established a Future Litigation Reserve of \$1,257,187.10. If there are no Claims pending against any Defendant (or Person to whom any Defendant owes an indemnification obligation) as of December 12, 2014, the Future Litigation Reserve will be terminated, and any remaining funds in the Future Litigation Reserve will be paid into the Settlement Fund. If there are such Claims pending as of December 12, 2014, then the Future Litigation Reserve will remain available to Defendants, and any funds remaining in the Future Litigation Reserve shall be paid into the Settlement Fund within ten (10) days of the date on which the outstanding Claims are finally resolved.

In addition, the Settlement provides that the Sandra L. Manzke Revocable Trust ("Manzke Trust"), for which Defendant Manzke is the sole trustee, will submit a claim to the Madoff Victim Fund for losses that the Manzke Trust incurred as a result of Madoff's fraud, and will assign to the Settlement Fund any distributions that the Manzke Trust receives from the Madoff Victim Fund. The Madoff Victim Fund was established by the Department of Justice Asset Forfeiture Distribution Program and is intended for distribution to net losers of Madoff's fraud. For more information, see www.madoffvictimfund.com.

If you do not exclude yourself from the Settlement Class, your recovery under the Settlement, if approved, will depend on your net equity losses as a limited partner of MARF as of December 10, 2008. "Net equity losses" means the total dollar amount of your investments in MARF minus the total dollar amount of your redemptions. The amount of your net equity losses, according to the books and records maintained by Defendants, is set forth in Attachment A. If you believe the amounts to be inaccurate, you can notify the Claims Administrator in accordance with the instructions set forth in the response to Question No. 10 below.

Your actual recovery from the Settlement will depend on a number of factors, including the total number of Settlement Class members who participate in the Settlement and the amount of their net equity losses on their investments in MARF, any attorneys' fees and expenses that may be awarded to Class Counsel, and any amount that is distributed from the Future Litigation Reserve to the Settlement Fund.

All Settlement Class Members will recover *pro rata*, based on their net equity losses as of December 10, 2008, from the net Settlement Fund.

Nature of the Case: Plaintiff is a limited partner in MARF whose investment in MARF lost all value when Madoff confessed to running a Ponzi scheme on December 10, 2008. Plaintiff alleges that the MAXAM Defendants formed MARF for the express purpose of investing 100% of its assets with Madoff; that they made material misstatements and omissions in MARF's offering documents and failed to disclose that Madoff would be the sole investment manager, broker-dealer, and custodian of the fund's assets; that the MAXAM Defendants did not conduct proper investigation or due diligence on Madoff and were aware of warning signs of fraud that should have alerted them to investigate Madoff, but that they did not.

Based on these factual allegations, Plaintiff commenced this class and derivative action (the "Action") on December 10, 2010, alleging direct claims for securities fraud under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78a, *et seq.*, as well as direct and derivative claims for common law fraud, negligent misrepresentation, breach of fiduciary duty, gross negligence and mismanagement, and unjust enrichment against the MAXAM Defendants. Plaintiff also asserted a claim for control person liability under Section 20(a) of the Exchange Act against Defendants MAXAM Capital and Manzke. On June 17, 2013, Plaintiff filed an Amended Class Action and Derivative Complaint (the "Amended Complaint") which also sought the imposition of a constructive trust over the assets of MARF and injunctive relief.

¹ Unless otherwise noted, defined terms used in this Notice have the same meanings ascribed to them as in the Stipulation.

² MAXAM Limited, an offshore entity and a wholly-owned subsidiary of MAXAM Capital, initially served as MARF's administrator, and, in March 2008, was replaced by MAXAM Capital, which also continued in its role as the manager of MARF.

³ The MAXAM Defendants and MARF are collectively referred to as "Defendants."

Potential Outcome of Case: The issues on which Plaintiff and the MAXAM Defendants disagree include: (a) whether the MAXAM Defendants conducted appropriate due diligence in connection with the investment of the assets of MARF and its limited partners with BLMIS; (b) whether the statements made or facts allegedly omitted from offering documents and other relevant documents were materially false or misleading, or otherwise actionable under the applicable law; (c) whether Plaintiff and the class could demonstrate that their losses were caused by the acts, alleged breaches of duty, statements and omissions of the MAXAM Defendants; (d) the appropriate economic methodology for determining the amounts by which Settlement Class Members were damaged; (e) whether the class could have been certified if the MAXAM Defendants contested certification, which they would have done, absent the Settlement; (f) whether Defendants MAXAM Capital and Manzke were culpable participants as controlling persons; and (g) whether the MAXAM Defendants acted diligently and with good faith in discharging their responsibilities.

The MAXAM Defendants deny any and all allegations and/or accusations of purported negligence, fraud, nonfeasance, misfeasance, statements, misstatements, omissions, breaches of actual or purported duties, wrongdoing, liability, harms, and/or damages purportedly caused to or suffered by Plaintiff and/or any other member(s) of the proposed Settlement Class. Each and every Defendant further maintains that he, she or it complied at all times with any and all applicable duties, obligations and requirements, and with applicable law.

Attorneys' Fees and Expenses: Class Counsel intends to make a motion for the Court to award (i) attorneys' fees representing not more than 17.5% of the Settlement Fund, plus any interest on such amount at the same rate and for the same periods as earned by the Settlement Fund; and (ii) reimbursement of litigation expenses advanced on behalf of Plaintiff and the Class, not to exceed the sum of \$25,000, plus any interest on such amount at the same rate and for the same periods as earned by the Settlement Fund. Under the Stipulation, if attorneys' fees are awarded by the Court and there is more than one distribution from the Settlement Fund, Class Counsel will receive 17.5% of the balance of the Settlement Fund at the time of the first distribution, and 17.5% of the balance of the Settlement Fund at the time of each subsequent distribution.

Reasons For Settlement: Plaintiff and Class Counsel, who have extensive experience in complex class action and shareholder derivative litigation, have agreed to the Settlement only after considering, among other things: (a) the substantial immediate and future cash benefits to the Settlement Class Members; (b) the uncertainty of proving liability and the significant possible legal and factual defenses to the claims asserted; (c) the risk that the Court may grant, in whole or in part, any motions to dismiss and, if denied, the MAXAM Defendants' likely motions for summary judgment; (d) the uncertainty, even if Plaintiff were successful at establishing liability at trial, inherent in the Settling Parties' likely competing theories of loss causation and damages; (e) the MAXAM Defendants' expected positions concerning various liability, causation, and damages issues; (f) the attendant risks of litigation, especially in complex actions such as this, as well as the difficulties and delays inherent in such litigation (including any appeals); (g) the lengthy time that completion of discovery, contested class certification, dispositive motion practice, trial and likely appeals would entail; (h) the costs associated with each of the foregoing; and (i) the desirability of consummating the Settlement in order to provide relief to Settlement Class Members at this juncture and without further delay.

Plaintiff and Class Counsel have also considered that all limited partners in MARF will receive distributions from the settlement of an Adversary Proceeding filed by Irving H. Picard, the trustee for the substantively consolidated liquidation of BLMIS and Madoff (the "Trustee"), against Defendants and certain related persons. In the Adversary Proceeding, the Trustee sought to recover certain transfers and funds from MARF and related entities, and to disallow (or equitably subordinate) MARF's customer claim in the amount of \$215,287,000.00 ("Customer Claim") against the BLMIS estate. On August 14, 2013, the Madoff Trustee and Defendants (and certain related persons) resolved the Adversary Proceeding by entering into a settlement ("Trustee Settlement") under which, among other things, MARF agreed to convey to the Trustee the amount of \$97,800,000.00, and, in exchange, the Trustee agreed to allow MARF's Customer Claim of \$215,287,000.00 plus a \$61,400,000.00 credit against the BLMIS estate pursuant to Section 502(h) of the United States Code, for a total allowed claim of \$276,687,000.00. The Trustee has distributed \$21,340,618.73 of MARF's allowed Customer Claim to MARF, a portion of which has been distributed to MARF's limited partners. MARF will make additional distributions to MARF's limited partners as distributions are made by the Trustee in accordance with the Trustee Settlement.⁴

Plaintiff and Class Counsel believe they have received sufficient information from Defendants concerning their resources and ability to pay.

Plaintiff and Class Counsel believe that the Settlement is fair, reasonable, and adequate and in the best interests of all Settlement Class Members.

For Defendants, who deny all allegations of wrongdoing or liability whatsoever, the sole reason for entering into the Settlement is to eliminate the distraction, burden and expense of further litigation.

⁴ **Note:** The limited partners of MARF are entitled to receive distributions from MARF of the proceeds of the Trustee Settlement, as well as other distributions that may be made by MARF, whether or not they participate in the Settlement.

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BASIC INFORMATION

1. Why did I receive this Notice?

By Order dated June 10, 2014, the Court directed the Action to proceed as a class action for purposes of this Settlement with a Settlement Class comprised of:

All limited partners in MARF who purchased or held interests in MARF and were limited partners as of December 10, 2008, and who suffered a net loss of equity on their investments.

The Settlement Class excludes: (i) Sandra Manzke; (ii) any person or entity controlled by Sandra Manzke (whether directly or indirectly); (iii) all persons controlled by, controlling or under common control with the Defendants; and (iv) any member of the proposed Settlement Class who submits a valid and timely request for exclusion in accordance with the procedures and deadlines set forth in this Notice and who does not subsequently withdraw that request.

The Court directed that this Notice be sent to you or someone in your family because you have been identified as a member of the Settlement Class. Consequently, you have a right to know about the proposed Settlement of this Action, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, then the Court-appointed Claims Administrator will distribute payments under the Settlement to Settlement Class Members who have not excluded themselves from the Settlement by filing a valid and timely request for exclusion.

This package explains the Action, the Settlement, your legal rights, what benefits are available, and who is eligible for them.

The Court in charge of the case is the United States District Court for the Southern District of New York, and the case is known as *Manno v. MAXAM Capital GP, LLC*, No. 1:10-cv-09260-LAP.

2. What is this Action about?

On December 10, 2010, Plaintiff filed this Action alleging direct and derivative claims against the MAXAM Defendants, including direct claims for securities fraud under Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and control person liability under Section 20(a) of the Exchange Act against Defendants MAXAM Capital and Manzke, as well as direct and

derivative claims for common law fraud, negligent misrepresentation, breach of fiduciary duty, gross negligence and mismanagement, and unjust enrichment against the MAXAM Defendants, in connection with the MAXAM Defendants' investment of MARF's assets with BLMIS.

Plaintiff alleges that the offering materials for MARF contained false and misleading statements that were designed to mislead investors and obscure Madoff's role in the Fund's investments. Plaintiff alleges that the MAXAM Defendants, who were experienced and knowledgeable investment advisors and had longstanding connections to Madoff, knew of information that should have alerted them to Madoff's fraud, and that they ignored other clear warning signs that should have prompted them to conduct further investigation and due diligence. Plaintiff alleges that, nonetheless, the MAXAM Defendants placed 100% of MARF's assets with Madoff and BLMIS without conducting adequate (or any) due diligence and failing to monitor the fund's assets as promised in MARF's offering documents. Plaintiff alleges that, in doing so, the MAXAM Defendants violated the federal securities laws and their fiduciary duties to MARF's limited partners.

Plaintiff also asserted derivative claims on behalf of MARF seeking to recover damages for the benefit of MARF for injuries suffered by the fund. Accordingly, MARF was named as a nominal defendant so that the limited partners of MARF could obtain a recovery through MARF if Plaintiff was successful on his derivative claims against the MAXAM Defendants. Plaintiff alleges derivative claims for the MAXAM Defendants' alleged violations of their fiduciary obligations to MARF; gross negligence and mismanagement, for failure to exercise due care in the management of MARF's investments; and unjust enrichment, for management and administrative fees the MAXAM Defendants received from MARF (and its limited partners) for management services that were not provided.

On May 26, 2011, the Parties entered into a Stipulation and Tolling Agreement and, by Order dated May 31, 2011, this Action was stayed pending notice by any Party of the termination of the Tolling Agreement. On May 13, 2013, the Parties entered into a Stipulation and First Amendment to the Tolling Agreement temporarily lifting the stay of the Action for the sole purpose of permitting Plaintiff to file an amended complaint, which the Court "so ordered" on May 16, 2013. On June 17, 2013, Plaintiff filed the Amended Complaint asserting the same claims as the initial complaint, and, in addition, seeking injunctive relief and the imposition of a constructive trust over the assets of MARF.

On September 10, 2013, Plaintiff made a limited objection to the proposed Trustee Settlement seeking clarification of certain language in the Trustee's settlement agreement. Plaintiff's concern was that a provision in the agreement was subject to an interpretation that permitted Defendants to deduct amounts from the proceeds of MARF's Customer Claim to cover expenses and preexisting obligations before making distributions to MARF's limited partners. However, on September 16, 2013, Plaintiff, the Trustee and Defendants resolved Plaintiff's limited objection by including in the proposed final judgment to approve the proposed Trustee Settlement certain clarifying language. On September 17, 2013, the Trustee Settlement was presented to the Bankruptcy Court and a final judgment was entered approving the Settlement.

3. Why is this case a class action?

In a class action, one or more persons (in this case, Plaintiff William Manno) sue on behalf of themselves and other persons who have similar claims. The members of this group are called the Class or Class Members. The settlement of a class action determines the rights of the members of the class except for those who choose to exclude themselves from the settlement. For this reason, a settlement of a class action must be approved by a judge. Here, the Settlement of the class action will be presented to the Honorable Loretta A. Preska of the United States District Court for the Southern District of New York for approval.

4. What is a derivative action?

In a derivative action, one or more persons who are shareholders of a corporation or, as here, limited partners of a limited partnership, MARF, sue on behalf of that entity. These are claims that belong to the entity, here a limited partnership, and once released (as they will be by this Settlement, if approved), they are forever after barred and thus cannot be maintained by the limited partnership or any of its limited partners. For this reason, a settlement of a derivative action must also be approved by a judge. Here, Plaintiff, as a limited partner of MARF, has asserted derivative claims on behalf of MARF. At the Settlement Fairness Hearing, the Court will also consider the settlement of the derivative claims in this Action.

5. Why is there a settlement?

The Court did not decide in favor of Plaintiff or Defendants. Instead, both sides agreed to enter into this Settlement. Plaintiff and Class Counsel believe the Settlement is fair, reasonable and adequate, and is in the best interests of the Settlement Class.

Plaintiff and Class Counsel believe they have received sufficient information to evaluate the merits of this Settlement. Class Counsel has conducted an investigation into the events underlying Plaintiff's allegations, has researched and analyzed pleadings and evidence from other similar and/or related cases that were filed against the MAXAM Defendants and others, and has researched and analyzed the applicable body of law with respect to the claims and defenses in this Action. Class Counsel believes Defendants have provided sufficient information to evaluate the Settlement and Defendants' ability to pay a judgment. Class Counsel also engaged in extensive settlement negotiations with Defendants, and in so doing, was able to gauge the strengths and weaknesses of the anticipated defenses to be offered at trial.

Plaintiff and Class Counsel believe the claims asserted against the MAXAM Defendants have merit. Plaintiff and Class Counsel recognize, however, the expense and length of continued proceedings necessary to pursue Plaintiff's claims through trial and appeals, as well as the difficulties in establishing liability and damages at trial. Plaintiff and Class Counsel have considered the issues that would have been decided by a jury in the event of a trial of the Action, including whether the MAXAM Defendants knowingly made material misstatements or omissions in the offering documents for MARF; whether they acted with scienter; whether they failed to conduct due diligence; whether Class Members' losses were caused by the alleged misrepresentations or omissions and, if so, the amount of damages (if any); and whether they breached their fiduciary duties to the limited partners and/or the fund. Plaintiff and Class Counsel have also considered the uncertain outcome and trial risk in complex lawsuits like this one, and that, even if Plaintiff were

successful, after the resolution of the appeals that would likely be taken (which could take years to resolve), a significant recovery for the Class was highly uncertain.

In addition, Plaintiff and Class Counsel are aware that the limited partners of MARF have recovered and will continue to recover their losses from the proceeds of the Trustee Settlement. As described above, under the terms of the Trustee Settlement, MARF agreed to convey to the Trustee a settlement payment of \$97,800,000.00 but, in exchange for that payment, the Trustee has allowed MARF a customer claim in the amount of \$276,687,000.00, \$61,400,000.00 more than MARF's net equity losses of \$215,287,000.00. The proceeds of the Trustee Settlement are distributable to the limited partners of MARF in accordance with its terms. Further, under the Trustee Settlement, the Manzke Trust agreed to waive 50% of its right to any distribution by MARF of the proceeds of the Trustee Settlement which will be distributed to MARF's limited partners (except for the Manzke Trust and Defendant Manzke). Defendants MAXAM Capital and MAXAM GP have also agreed that they are not entitled to any additional fees, profits, or expenses for their management or administration of any funds received by MARF from the BLMIS estate. The Trustee's Settlement provides that except with respect to amounts needed to pay certain costs and expenses, all amounts received by MAXAM Capital or MAXAM GP from any distribution made by the BLMIS estate to MARF shall be distributed solely to the investors in MARF or otherwise in accordance with MARF's limited partnership agreement. The distributions that the limited partners of MARF have received and will receive from the proceeds of the Trustee Settlement, the concessions of the MAXAM Defendants under the Trustee Settlement, and the MAXAM Defendants' limited resources, were considered by Plaintiff and Class Counsel in assessing the Settlement.

In light of the amount of this Settlement and the immediacy of recovery to the Class, Plaintiff and Class Counsel believe the proposed Settlement is fair, reasonable, and adequate, and is in the best interests of the Settlement Class. The Settlement provides substantial benefits now as compared to the risk that a similar, a smaller, or no recovery would be achieved after a trial and appeals, possibly years in the future.

WHO WILL PARTICIPATE IN THE SETTLEMENT

6. How do I know if I am a Class Member?

The Court directed, for the purposes of the proposed Settlement, that everyone who fits the description of the Settlement Class set forth in the response to Question No. 1 is a Settlement Class Member. If that description applies to you, you are a Settlement Class Member unless you exclude yourself.

7. Are there exceptions?

Yes. Excluded from the Settlement Class are: (i) Sandra Manzke; (ii) any Person or entity controlled by Sandra Manzke (whether directly or indirectly); (iii) all Persons controlled by, controlling, or under common control with the Defendants; and (iv) any member of the proposed Settlement Class who submits a valid and timely request to opt out of the Settlement Class in accordance with the procedures and deadlines that are set forth in the Notice and who does not subsequently withdraw that request. The MAXAM Absolute Return Fund Limited, which is a limited partner of MARF, is a Settlement Class Member, and MAXAM GP and MAXAM Capital are not Settlement Class Members.

8. What if I am still not sure whether I am included in the Settlement?

If you are still not sure whether you are included in the Settlement Class, you may contact the Claims Administrator, The Garden City Group, Inc., at (631) 470-5185 or Class Counsel, Wolf Haldenstein, at (212) 545-4600.

THE SETTLEMENT BENEFITS – WHAT YOU GET

9. What does the Settlement provide?

The Stipulation of Settlement provides for an Initial Settlement Payment of \$1,601,372.00 to be paid into a Settlement Fund on behalf of all MAXAM Defendants. Defendants have made the Initial Settlement Payment, which has been deposited into an interest-bearing account created to hold the Settlement Fund. An additional payment of \$250,000.00 is to be paid into the Settlement Fund if certain conditions set forth in a confidential supplemental stipulation dated April 25, 2014 among the Parties are satisfied.

Defendants have also established a Future Litigation Reserve of \$1,257,187.10. If there are no Claims pending against any Defendant (or Person to whom any Defendant owes an indemnification obligation) as of December 12, 2014, the Future Litigation Reserve will be terminated, and any remaining funds in the Future Litigation Reserve will be paid into the Settlement Fund.

If, however, there are outstanding Claims pending against any Defendant (or against any Person to whom indemnification obligations are owed by any Defendant) as of December 12, 2014, then the Future Litigation Reserve will remain available to Defendants for the satisfaction of reasonable legal fees and expenses, and any funds remaining in the Future Litigation Reserve shall be paid into the Settlement Fund within ten (10) days of the date on which the outstanding Claims are finally resolved.

Within fourteen (14) days of the dissolution of the Future Litigation Reserve, Defendants shall affirm in writing that any monies withdrawn from the Future Litigation Reserve were used only to satisfy reasonable legal fees and expenses, and shall provide to Class Counsel a summary schedule of any such reasonable fees and expenses.

In addition, the Settlement provides that the Manzke Trust, for which Defendant Manzke is the sole trustee, will submit a claim to the Madoff Victim Fund for losses that the Manzke Trust incurred as a result of Madoff's fraud and will assign to the Settlement Fund any distributions that the Manzke Trust receives from the Victim Fund.

10. How will my payment be determined?

Your payment will be calculated using a proposed Plan of Allocation, which is set forth below, to distribute the settlement money among Settlement Class Members who have not excluded themselves from the Settlement. At the Settlement Fairness Hearing, the Court will consider whether to approve this Plan of Allocation.

PLAN OF ALLOCATION

The purpose of this Plan of Allocation of the Settlement Fund is to establish a reasonable and equitable method of distributing the Settlement Fund among the Settlement Class Members.

Under the proposed Plan of Allocation, the "Net Settlement Fund" will be equal to the amount remaining in the Settlement Fund after the deduction of any Court-awarded attorneys' fees (as a percentage of the then balance of the Settlement Fund) and litigation expenses. The Net Settlement Fund will be distributed *pro rata* to the Settlement Class Members based on each Class Member's net equity losses in MARF.

Because the Net Settlement Fund is less than the total net equity losses suffered by the Settlement Class Members, the formula described below for calculating Recognized Claims (defined below) is not intended to estimate the amount that will actually be paid to Settlement Class Members. Rather, the formula demonstrates the basis on which the Net Settlement Fund will be distributed among Settlement Class Members.

For purposes of this Plan of Allocation, the term "Distribution" means the amount to be paid to a Settlement Class Member from the Net Settlement Fund, and the term "Recognized Claim" is the amount of a claim under this Plan and is the number used to calculate a Settlement Class Member's Distribution.

Recognized Claim

Each Settlement Class Member's net equity losses in MARF will be calculated by netting the total amount of subscriptions in MARF held by that Settlement Class Member on December 10, 2008, against that Class Member's redemptions of his, her, or its investments in MARF (if any) as of December 10, 2008. Each Class Member's Recognized Claim will reflect 100% of his, her, or its net equity loss in MARF. Thus, if a Class Member invested \$500,000 in MARF and had no redemptions on the investment, the Class Member's Recognized Claim is \$500,000. If a Class Member invested \$500,000 in MARF and redeemed \$250,000 of the investment, the Class Member's Recognized Claim is \$250,000.

Defendants have provided to Class Counsel the calculations of the individual net equity losses for each member of the proposed Settlement Class, along with the underlying records upon which those calculations are based. The amount of your net equity losses, according to the books and records maintained by Defendants, is set forth in Attachment A. If you believe the amount on Attachment A is inaccurate, you can notify the Claims Administrator at MAXAM Settlement, c/o The Garden City Group, Inc., 1985 Marcus Avenue, Suite 200, Lake Success, NY 10042 or by phone at (631) 470-5185. Please be prepared to provide all documents that you believe demonstrate that the amount of your net equity losses set forth in Attachment A is incorrect.

Please note that the term "Recognized Claim" is used solely for calculating the amount of a Class Member's percentage share of the Net Settlement Fund. It is not the actual amount a Class Member can expect to recover.

The actual amount of the payment will depend on the total number of Settlement Class Members who participate in the Settlement (that is, who have not excluded themselves from the Settlement), and the amount of their net equity losses in MARF, and the amount of any attorneys' fees and expenses that may be awarded by the Court.

Distributions from the Net Settlement Fund

Each Class Member will receive a Distribution determined by multiplying the Net Settlement Fund by a fraction, the numerator of which is the Class Member's Recognized Claim and the denominator of which is the sum total of the Recognized Claims of all participating Class Members.

Within ninety (90) days after the Settlement becomes final, Class Counsel shall cause the Net Settlement Fund to be distributed to Settlement Class Members. (The Settlement becomes final if the Court approves the Settlement and, if there are any appeals, the appeals are resolved and the Court's approval is upheld.) Once all the claims are calculated, Class Counsel, without further notice to the Settlement Class, will apply to the Court for an order authorizing the distribution of the Net Settlement Fund to the Settlement Class Members with Recognized Claims.

If and when additional monies beyond the Initial Settlement Payment of \$1,601,372.00 are placed into the Settlement Fund, the same methodology described above will be used to distribute those funds to the Settlement Class Members. Specifically, within ninety (90) days after the dissolution of the Future Litigation Reserve, Plaintiff shall cause the funds then remaining in the Settlement Fund, less Court-awarded fees (as a percentage of the then balance of the Settlement Fund) and expenses, to be distributed to Settlement Class Members.

It is possible that there will be a single distribution to Settlement Class Members if the Net Settlement Fund includes both the Initial Settlement Payment and the funds remaining in the Future Litigation Reserve at the time of distribution.

Payments made pursuant to this Plan of Allocation above shall be conclusive against all Settlement Class members who have not timely excluded themselves. No Person shall have any claim against the Plaintiff, Class Counsel, or the Claims Administrator based on Distributions and determinations made substantially in accordance with this Plan, if approved, or further orders of the Court, except in the case of fraud or willful misconduct. No Person shall have any claim under any circumstances against the Released Parties based on any Distributions and determinations or the design, terms or implementation of this Plan.

If there is any balance remaining in the Net Settlement Fund (by reason of uncashed check, or otherwise), at a date one hundred eighty (180) days from the later of (a) the date on which the Court enters an order directing the Net Settlement Fund to be distributed to Settlement Class Members, or (b) the date the Settlement is final and becomes fully effective, then Class Counsel shall, upon approval of the Court, distribute such balance among Class Members, in a manner consistent with this Plan of Allocation. If Class Counsel determines that it is not cost-effective to conduct such further distribution, or following such further distribution any balance still remains in the Settlement Fund, Class Counsel shall, upon approval of the Court, and without further notice to the Settlement Class, cause the remaining balance to be distributed *cy pres*.

Defendants, their counsel and the other Released Parties do not have any responsibility or liability with respect to claims administration, or the management, investment or distribution of the Settlement Fund.

The Court has reserved jurisdiction to modify, amend or alter the Plan of Allocation without further notice to anyone, and to allow, disallow or adjust any Class Member's claim to ensure a fair and equitable distribution of settlement funds. The distribution of the Settlement Fund is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the distribution shall not affect the validity or finality of the Settlement if approved by the Court. The distribution of the Settlement Fund may be modified in connection with, among other things, a ruling by the Court, or an objection filed by a member of the Settlement Class, without further notice.

OBTAINING PAYMENT

11. How will I obtain my payment?

In order to qualify for payment from the Settlement Fund, you must be a member of the Settlement Class but you do not need to submit a Proof of Claim Form or other documentation. You are automatically included in the *pro rata* distribution of the Net Settlement Fund and will be entitled to a recovery from the Net Settlement Fund unless you timely exclude yourself, as described below.

IF YOU DO NOT EXCLUDE YOURSELF FROM THE SETTLEMENT, YOU DO NOT HAVE TO DO ANYTHING TO PARTICIPATE IN THE SETTLEMENT, IF APPROVED. YOU WILL BE AUTOMATICALLY ENTITLED TO THESE BENEFITS.

The Claims Administrator will mail a check to you when the Settlement has become final and your *pro rata* share has been calculated. If your address changes, please notify the Claims Administrator at once to ensure that any payment is properly directed.

12. When will I receive my payment?

The Court will hold the Settlement Fairness Hearing on August 22, 2014, to decide whether to approve the Settlement. If the Settlement is approved, there may be appeals, and resolving them can take years. Please be patient.

EXCLUDING YOURSELF FROM THE SETTLEMENT

13. How do I request to be excluded from the Class?

If you are a member of the Settlement Class but you want to retain the right to sue Defendants on your own about issues that would be released if you participate in this Settlement, then you must take steps to exclude yourself from the Settlement Class. This is sometimes referred to as "opting out" of the Class.

In order to be valid, a request for exclusion must: (i) set forth the name, street and email address, and telephone number of the Person requesting exclusion; (ii) state that the Person "requests exclusion from the Settlement Class in *Manno v. MAXAM Capital GP, LLC*, No. 1:10-cv-09260-LAP"; (iii) list the person or entity's purchases and redemptions of limited partnership interests in MARF; (iv) list the Person's equity loss (if any) in its account in MARF on December 10, 2008; (v) be signed and dated by the Person requesting exclusion; and (vi) be postmarked no later than July 23, 2014 (thirty (30) days prior to the date of the Settlement Fairness Hearing). Requests for exclusion must be mailed by first class mail or otherwise delivered to the Claims Administrator by July 23, 2014 at the address below:

MAXAM Settlement - EXCLUSIONS
c/o The Garden City Group, Inc.
1985 Marcus Avenue, Suite 200
Lake Success, NY 10042

Please keep a copy of everything you send by mail in case it is lost or destroyed during shipping. You cannot exclude yourself on the phone or by e-mail.

Requests for exclusions shall not be effective unless the request includes the required information and is made within the time period stated above, or the exclusion is otherwise accepted by the Court.

Any member of the Settlement Class may submit a written revocation of a request for exclusion to the Claims Administrator so that it is received no later than three (3) calendar days before the Settlement Fairness Hearing.

If you ask to be excluded from the Settlement Class, and you do not revoke your request for exclusion, you will **NOT** get any payment from the Settlement, and you cannot object to the Settlement, although your right to receive a portion of any amounts paid to MARF from BLMIS estate will not be affected. You will not be legally bound by anything that happens in the Action. However, even if you exclude yourself from the Settlement Class, you will be permanently barred and enjoined from instituting, commencing or continuing to maintain any Released Claims (defined below) on behalf of the entities or individuals who are bound by the Court's

Judgment, including any Released Claims that were, could have been, or could be asserted by or on behalf of MARF in the Action or any other action or proceeding.

If you do not request exclusion from the Settlement Class, you will be considered a Settlement Class Member, you will be bound by the terms of the Settlement, if approved, and you will not be able to pursue your own individual legal action based upon the Claims that are being released in the Settlement.

THE LAWYERS REPRESENTING THE CLASS

14. Do I have a lawyer in this case?

The Court has preliminarily appointed Wolf Haldenstein Adler Freeman & Herz LLP to represent you and other Settlement Class Members for purposes of this Settlement. You will not be charged for the services provided by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How will the lawyers be paid?

Class Counsel will ask the Court for an award of: (i) attorneys' fees not to exceed the sum of 17.5% of the Settlement Fund, plus any interest on such amount at the same rate and for the same periods as earned by the Settlement Fund; and (ii) reimbursement of litigation expenses, not to exceed the sum of \$25,000, plus any interest on such amount at the same rate and for the same periods as earned by the Settlement Fund. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Class Counsel for its efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, Class Counsel has not been paid for their services in conducting this case on behalf of Plaintiff and the Class, or for their substantial litigation expenses. The fee requested will compensate Class Counsel for its work in achieving the Settlement and is well within the range of fees awarded to class counsel under similar circumstances in other cases of this type.

OBJECTING TO THE SETTLEMENT

16. Right to object

If you are a Settlement Class Member who is not requesting to be excluded from the Settlement Class, you can object to the Settlement if you do not like any part of it, including the Plan of Allocation and the request for attorneys' fees and expenses.

17. How do I tell the court that I object to the Settlement?

To object, you must send a written statement saying that you object to the Settlement in *Manno v. MAXAM Capital GP, LLC*, No. 1:10-cv-09260-LAP, and the reasons why you object to the Settlement. The written statement of objection must state: (a) your name; (b) street and email address; (c) telephone number; (d) whether you are a member of the Settlement Class; (e) the dates of purchases and redemptions of limited partnership interests in MARF; (f) net equity loss (if any) in your account in MARF as of December 10, 2008; (g) the part(s) of the Settlement, Plan of Allocation or the request for attorneys' fees and expenses that you find objectionable; (h) the specific reason(s) for each such objection made, including any legal support you wish to bring to the Court's attention and any evidence you wish to introduce in support of such objection; and (i) whether you have objected to any proposed class action or derivative settlement within the past five (5) years, and, if so, identifying and providing documentation in connection with each such objection and its resolution.

Any objection must be postmarked no later than July 23, 2014 (thirty (30) days prior to the date of the Settlement Fairness Hearing) and filed with the Court, and served on the Court, Counsel for Plaintiff, and Counsel for Defendants at the following addresses:

<i>Court:</i> Ruby J. Krajick Office of the Clerk United States District Court Southern District of New York Daniel Patrick Moynihan United States Courthouse 500 Pearl Street New York, NY 10007-1312	<i>Class Counsel:</i> Daniel W. Krasner Demet Basar Maja Lukic Wolf Haldenstein Adler Freeman & Herz LLP 270 Madison Avenue New York, NY 10016	<i>Counsel for MAXAM Defendants:</i> Jonathan D. Cogan Carrie A. Tendler Michael S. Kim Kobre & Kim LLP 800 Third Avenue, 6th Floor New York, NY 10022	<i>Counsel for MARF:</i> James N. Lawlor Wollmuth Maher & Deutsch LLP 500 Fifth Ave. #12 New York, NY 10110
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Any Settlement Class Member may file an objection on his, her or its own, or through an attorney hired at his, her or its own expense. If a Settlement Class Member hires an attorney to object on his, her or its behalf, the written objection must identify any proposed class action or derivative settlement to which said attorney has represented an objector within the past five (5) years, the resolution of such objection, and attach documentation in connection therewith.

Class Counsel may seek discovery, including deposition testimony, from any Settlement Class Member who files a timely and valid objection to the Settlement. All such persons, by filing an objection, submit themselves to the jurisdiction of the Court for discovery purposes, as if they were a party to the litigation.

Any Settlement Class Member who fails to comply with any of the provisions of this section shall waive and forfeit any and all rights he, she or it may otherwise have to appear separately at the Settlement Fairness Hearing and/or to object to the Settlement or the Stipulation, and shall be bound by all the terms of the Stipulation and by all proceedings, orders and judgments in the Action.

18. What is the difference between excluding and objecting?

Objecting means telling the Court that you do not like something about the Settlement, the Plan of Allocation, or the request for attorneys' fees and expenses, and you want the Court to disapprove the Settlement, the Plan of Allocation or the request for attorneys' fees and expenses. You can object to the Settlement as it pertains to you only if you stay in the Settlement Class.

Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object to the Settlement because the case no longer affects you.

RELEASE OF CLAIMS

19. What rights am I giving up by participating in the Settlement?

If you do not exclude yourself from the Settlement, you will be bound by the Court's Judgment and the releases incorporated in the Judgment from the Stipulation of Settlement.

If you stay in the Settlement Class, you will release all "Released Claims" (as defined below) against the "Released Persons" (also defined below). In general terms, this means that you cannot continue with or bring a lawsuit or action of any kind against the "Released Persons."

"Claims" means any and all manner of actual or potential claims, causes of action, demands, rights, actions, liabilities, duties, damages, harms, losses, diminutions in value, obligations, agreements, suits, fees, attorneys' fees, expert or consulting fees, debts, expenses, costs, sanctions, judgments, decrees, matters, issues and controversies of any kind or nature whatsoever (whether known or unknown, contingent or absolute, liquidated or not liquidated, accrued or unaccrued, suspected or unsuspected, disclosed or undisclosed, apparent or not apparent, foreseen or unforeseen, matured or not matured), which now exist, or heretofore or previously existed, or may hereafter exist. This includes, but is not limited to, any claims arising under federal, state or foreign law; common law; bankruptcy law; statute; rule; contract; regulation; or in quasi-contract, and relating to alleged fraud or misrepresentation; breach of any duty; negligence or nonfeasance; fraudulent conveyance, transfer or preference; avoidance; violations of the federal securities laws or state blue sky laws; or otherwise (regardless of whether the Claims are legal, regulatory, administrative, governmental or equitable in nature, or of any other type or nature, and whether the Claims are individual, class, direct, derivative, representative, otherwise asserted or accrued on behalf of others, or in any other capacity).

"Released Claims" means any and all Claims, including Unknown Claims (defined below), that have been, could have been, or in the future can or might be asserted in any federal, state, foreign, administrative, regulatory or other court, tribunal, forum or proceeding against any Defendant or Released Person, by or on behalf of Plaintiff or any Releasing Persons (as defined below), whether directly, derivatively, as class claims, in a representative capacity or in any other capacity (regardless of whether any Released Persons were named, served with process, or appeared in the Action), and that have arisen, could have arisen, arise now, or hereafter arise out of or relate in any manner whatsoever to the allegations, claims, defenses, things, facts, events, matters, acts, occurrences, transactions, investments, statements, omissions, representations, misrepresentations, or any other matter, thing or cause whatsoever, or any series thereof, that is embraced, involved, intertwined with, set forth in, referred to, connected to, or in any other way related (whether directly or indirectly) to the Action; except, however, that the term "Released Claims" does not include: (i) any claim to enforce the terms of this Stipulation; (ii) any claim by any limited partner of MARF to receive from MARF future distributions from the proceeds of the Allowed Customer Claim; or (iii) any claim by Plaintiff or the Settlement Class Members to receive any distribution that the Manzke Trust may receive from the Madoff Victim Fund. For the avoidance of doubt, the Manzke Trust's obligations pursuant to the Stipulation are set forth in ¶ 3.5 of the Stipulation, and the Manzke Trust shall have no other or further obligation to any Releasing Person.

"Released Persons" means: (i) Defendants; (ii) all Persons controlled by, controlling, or under common control with the Defendants; and (iii) any current and/or former employee, agent, representative, heir, predecessor, successor, assign, partner, spouse, administrator, advisor, attorney, associate, consultant, insurer, director and/or officer of any of the foregoing.

"Releasing Persons" means: (i) Plaintiff; (ii) the Settlement Class Members; (iii) MARF; (iv) any heirs, executors, trustees, administrators, predecessors, successors, spouses, and assigns of the foregoing.

"Unknown Claims" means any and/or all claims and/or causes of action that Plaintiff and/or Settlement Class Members do not know, do not suspect, and/or do not have reason to know and/or to suspect exist in his, her, its or their favor at any time on or before the date on which the releases under this Stipulation become Final, including any claim and/or cause of action for new and/or additional damages and/or injuries that, if known, might have affected: (i) the decision to enter into this Stipulation; (ii) the decision to object or not to object to the Settlement; or (iii) the decision to opt out of the Settlement Class. The Plaintiff and Settlement Class Members expressly relinquish and waive, to the full extent permitted by law, the provisions, rights and benefits of § 1542 of the California Civil Code (to the extent applicable), 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 Plaintiff and Settlement Class Members further expressly relinquish and waive, to the full extent permitted by law, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or by any principle of common law, that are similar, comparable or equivalent to California Civil Code § 1542 (to the extent applicable) and that, absent such a waiver, may limit the ability of a general release to cover the Unknown Claims. The Plaintiff and Settlement Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true, but Plaintiff and the Releasing Persons shall expressly fully, finally and forever settle and release, and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the entry of the Final Judgment shall have, fully, finally and forever settled and released, any and

all Released Claims, known or unknown, suspected or unsuspected, contingent or noncontingent, whether or not concealed or hidden, that now exist or heretofore have existed, upon any theory of law or equity (whether arising under or pursuant to any statute, code, rule, regulation, law or principle), now existing or coming into existence in the future, including conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Each of Plaintiff and the Settlement Class Members acknowledge and shall be deemed to have acknowledged that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

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

In addition, except as provided in the Stipulation, pending final determination of whether the Settlement should be approved or further order of the Court, no potential Settlement Class Member, whether directly, representatively or in any other capacity, and whether or not such Persons have appeared in the Action, shall commence or prosecute in any court or forum any proceeding involving the subject matter of any of the Released Claims against any of the Released Parties. This injunction is necessary to protect and effectuate the Settlement, the Court's Preliminary Approval Order, and the Court's flexibility and authority to effectuate the Settlement and to enter judgment when appropriate, and is ordered in aid of the Court's jurisdiction and to protect its judgments.

THE COURT'S SETTLEMENT FAIRNESS HEARING

After receiving the motion for approval of the Settlement and any objections filed within the deadline set above, the Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to.

20. When and where will the Court decide whether to approve the Settlement?

The Court will hold the Settlement Fairness Hearing at Courtroom 12A on August 22, 2014 at 10:00 a.m. at the United States District Court for the Southern District of New York, 500 Pearl Street, New York, NY 10007.

At this hearing, the Court will consider whether the Settlement of the Action is fair, reasonable and adequate and should be approved, and will also consider the proposed Plan of Allocation, and the request for attorneys' fees and expenses. The Court will take into consideration any written objections filed in accordance with the instructions set forth at Question 17. At or after the hearing, the Court will decide whether to approve the Settlement, the Plan of Allocation and the request for attorneys' fees and expenses. We do not know how long these decisions will take.

The Settlement Fairness Hearing may be adjourned from time to time without further written notice to the Settlement Class and the limited partners of MARF. If you are a Settlement Class Member and intend to attend the Settlement Fairness Hearing, you should confirm the date and time with Class Counsel.

21. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. But you are welcome to come at your own expense. If you file and send an objection, you do not have to come to Court to speak in support of it. As long as you mailed your written objection on time, the Court will consider it. If you want to be represented by your own lawyer at the hearing, you may hire one at your own expense.

22. May I speak at the hearing?

Any eligible member of the Settlement Class who files and serves a written objection in accordance with the requirements set forth in the response to Question 17—and only such Settlement Class Members—may appear at the Settlement Fairness Hearing, either in person or through counsel, to object to the fairness, reasonableness or adequacy of the Settlement, the Plan of Allocation, or the request for attorneys' fees and expenses.

Any eligible members of the Settlement Class or their attorneys intending to make an appearance at the Settlement Fairness Hearing must send a written notice stating that it is his or her intention ("Notice of Intention") to appear in *Manno v. MAXAM Capital GP, LLC, et al.*, No. 1:10-cv-09260-LAP.

If you intend to appear at the Settlement Fairness Hearing, the Notice of Intention must include your name, address, telephone number and email address, your signature, and you must attach a copy of your filed objection. If you intend to appear at the Settlement Fairness Hearing through an attorney, the Notice of Intention must identify the attorney's name, address, telephone number, email address, and must be signed by the attorney. The Notice of Intention must contain all legal authority upon which you or your attorney may rely. If you or your counsel intend to present evidence at the Settlement Fairness Hearing, the Notice of Intention must identify any witnesses that will be called and include copies of any exhibits that may be introduced.

Any Notice of Intention must be postmarked no later than August 12, 2014 (ten (10) days prior to the date of the Settlement Fairness Hearing), and filed with the Court, and served on the Court, Counsel for Plaintiff and Counsel for Defendants at the addresses set forth in the response to Question No. 17 above.

Any Settlement Class Member who fails to comply with any of the above requirements shall waive and forfeit any and all rights he, she or it may otherwise have to appear separately at the Settlement Fairness Hearing and/or to object to the Settlement and shall be bound by all the terms of the Stipulation and by all proceedings, orders and judgments in the Action.

You cannot speak about or object to the Settlement if you exclude yourself from the Settlement Class.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, and you are an eligible Settlement Class Member, you will be automatically included in the distribution of the Net Settlement Fund and will receive some money from this Settlement. You are not required to do anything to receive your *pro rata* share of the Net Settlement Fund.

If the Settlement becomes effective, unless you have excluded yourself, you will not be able to bring a subsequent lawsuit or action of any kind, or be part of any other lawsuit against the Released Persons about the Released Claims, which are described in the Stipulation and in this Notice.

As described above, if you do nothing, you will continue to be entitled to receive distributions from MARF as a limited partner.

GETTING MORE INFORMATION

24. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are set forth in the Stipulation. You can obtain a copy of the Stipulation and the other documents pertaining to the proposed Settlement from the settlement website of the Claims Administrator, The Garden City Group, Inc., at <http://www.gcginc.com/cases-info/MAM/> or by calling the Claims Administrator at (631) 470-5185. You may also obtain a copy of the Stipulation and other documents by contacting Class Counsel at the number below or by visiting the firm's website at www.whafh.com. Any other questions should be directed to Class Counsel.

25. How do I get more information?

You may contact the Claims Administrator:

MAXAM Settlement
c/o The Garden City Group, Inc.
1985 Marcus Avenue, Suite 200
Lake Success, NY 10042
(631) 470-5185

You may contact Class Counsel:

Daniel W. Krasner
Demet Basar
Maja Lukic
Wolf Haldenstein Adler Freeman & Herz LLP
270 Madison Avenue
New York, NY 10016
(212) 545-4600

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

Dated: June 20, 2014
New York, New York

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