

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

IN RE WACHOVIA PREFERRED SECURITIES  
AND BOND/NOTES LITIGATION

Master File No. 09 Civ. 6351 (RJS)

**ECF Case**

**LEAD BOND/NOTES PLAINTIFFS' NOTICE OF MOTION  
FOR (I) PRELIMINARY APPROVAL OF SETTLEMENTS WITH  
WACHOVIA DEFENDANTS AND KPMG LLP, (II) CERTIFICATION OF  
THE SETTLEMENT CLASS FOR PURPOSES OF THE SETTLEMENTS  
AND (III) APPROVAL OF NOTICE TO THE SETTLEMENT CLASS**

TO: All Counsel of Record

PLEASE TAKE NOTICE that upon the Stipulation and Agreements of Settlement dated August 5, 2011, attached hereto as Exhibit 1; the accompanying Memorandum of Law; and all other papers and proceedings herein, Lead Bond/Notes Plaintiffs will move this Court, under Rule 23 of the Federal Rules of Civil Procedure, at a date, time and location to be set by the Court, for an order: (i) preliminarily approving the proposed Settlements with the Wachovia Defendants and KPMG LLP; (ii) certifying the proposed Settlement Class and Lead Bond/Notes Plaintiffs as class representatives and appointing Lead Bond/Notes Counsel as class counsel for purposes of the Settlements; (iii) approving the form and manner of giving notice of the proposed Settlements to the Settlement Class; and (iv) scheduling a hearing on final approval of the Settlements and Lead Bond/Notes Counsel's motion for an award of attorneys' fees and reimbursement of litigation expenses.

Attached as Exhibit 2 hereto is a copy of the proposed Order Preliminarily Approving Proposed Settlements and Providing for Notice (with its exhibits).

Respectfully submitted,

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***Co-Lead Counsel for Lead Bond/Notes Plaintiffs  
and the Settlement Class***

# **Exhibit 1**

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

IN RE WACHOVIA PREFERRED SECURITIES  
AND BOND/NOTES LITIGATION

Master File No. 09 Civ. 6351 (RJS)

**ECF Case**

**STIPULATION AND AGREEMENTS OF SETTLEMENT**

This Stipulation and Agreements of Settlement dated as of August 5, 2011 (the “Stipulation”) is submitted pursuant to Rule 23 of the Federal Rules of Civil Procedure. Subject to the approval of the Court, this Stipulation is entered into, by and through their respective undersigned counsel, and embodies the terms and conditions of the following two Settlements:

- (1) The Wachovia Settlement, consisting of a settlement between (a) the Orange County Employees’ Retirement System (“Orange County”), Louisiana Sheriffs’ Pension and Relief Fund (“Louisiana Sheriffs”), Southeastern Pennsylvania Transportation Authority (“SEPTA”) (collectively, “Lead Bond/Notes Plaintiffs”) in the above-captioned consolidated class action (the “Bond/Notes Action” or “Action”), individually and on behalf of the proposed Settlement Class (as defined below) and (b) Wachovia Corporation (“Wachovia”), the Wachovia Capital Trusts (defined below), Wachovia Capital Markets, LLC, Wells Fargo Securities, LLC, A.G. Edwards & Sons, Inc., Wells Fargo & Company (“Wells Fargo”) (as successor-in-interest to Wachovia), and the Individual Defendants (defined below) (collectively, the “Wachovia Defendants”); and
- (2) The KPMG Settlement, consisting of a settlement between (a) Lead Bond/Notes Plaintiffs individually and on behalf of the proposed Settlement Class and (b) KPMG LLP (“KPMG”).<sup>1</sup>

Subject to the approval of the Court and the terms and conditions expressly provided herein, this Stipulation is intended by the parties hereto to fully, finally and forever compromise, settle, release, resolve, relinquish, waive, discharge and dismiss, on the merits and with prejudice, the

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<sup>1</sup> All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to them in paragraph 1 herein.

Action and all claims asserted against all Defendants therein, and all Released Claims (defined below) as against the Releasees (defined below).

WHEREAS:

A. Beginning on December 19, 2008, three related putative class actions alleging claims under the Securities Act of 1933 (the “Securities Act”) relating to one or more preferred stock, bonds or notes offerings issued by Wachovia and/or certain of its affiliates, beginning with *Swiskay, et al. v. Wachovia Corp., et al.*, No. 09 Civ. 6457 (S.D.N.Y.) (RJS) (the “Swiskay Action”), and followed by *Miller v. Wachovia Corp., et al.*, No. 09 Civ. 6351 (S.D.N.Y.) (RJS) (the “Miller Action”), and *Orange County Employees' Retirement System, et al. v. Carlson, et al.*, No. 09 Civ. 6374 (S.D.N.Y.) (RJS) (the “Orange County Action”) (collectively, the “Bond/Notes Actions”), were filed in the Superior Court of the State of California, Alameda County (the “California Court”).

B. On January 29, 2009, the California Court ordered the consolidation of the Bond/Notes Actions under the caption *In re Wachovia Preferred Securities and Bond/Notes Litigation*, No. RG 08426378, and appointed the law firms of Bernstein Litowitz Berger & Grossmann LLP (“Bernstein Litowitz”), Barroway Topaz Kessler Meltzer & Check, LLP, now known as Kessler Topaz Meltzer & Check, LLP (“Kessler Topaz”), and Coughlin Stoia Geller Rudman & Robbins, now known as Robbins Geller Rudman & Dowd LLP (“Robbins Geller”), as Co-Lead Counsel for the putative class (collectively, “Lead Bond/Notes Counsel”).

C. On March 6, 2009, the consolidated Bond/Notes Actions were removed from the California Court to the United States District Court for the Northern District of California (the “Northern District”). On June 22, 2009, the Northern District granted the motion to relate the

consolidated Bond/Notes Actions and ordered their transfer, pursuant to 28 U.S.C. §1404(a), to the United States District Court for the Southern District of New York (the “Court”).

D. By Order dated August 20, 2009 (the “Bond/Notes Consolidation Order”), the Court (i) consolidated the Bond/Notes Actions under the caption *In re Wachovia Preferred Securities and Bond/Notes Litigation*, Master File No. 09 Civ. 6351 (S.D.N.Y.) (RJS) (the “Bond/Notes Action”); (ii) appointed Orange County, Louisiana Sheriffs, and SEPTA as Co-Lead Plaintiffs in the Bond/Notes Action, and (iii) affirmed the California Court’s prior appointment of Lead Bond/Notes Counsel as Co-Lead Counsel in the Bond/Notes Action.

E. The Bond/Notes Consolidation Order also ordered that the instant Bond/Notes Action be coordinated for pre-trial purposes with a putative class action brought solely on behalf of investors in Wachovia equity securities that was also pending before the Court, which was captioned *In re Wachovia Equity Securities Litigation*, No. 08 Civ. 6171 (S.D.N.Y.) (RJS). The aforementioned actions were also coordinated for pre-trial purposes with two individual actions that, like the *In re Wachovia Equity Securities Litigation*, were also brought by investors in Wachovia equity securities, which were respectively captioned *Stichting Pensioenfonds ABP, et al. v. Wachovia Corp., et al.*, No. 09 Civ. 04473 (S.D.N.Y.) (RJS), and *FC Holdings AB, et al. v. Wells Fargo & Co., et al.*, No. 09 Civ. 5466 (S.D.N.Y.) (RJS) (*In re Wachovia Equity Securities Litigation* and *Stichting Pensioenfonds ABP* and *FC Holdings AB* actions are hereafter collectively referred to as the “Equity Actions”).

F. On September 4, 2009, Lead Bond/Notes Plaintiffs filed their Consolidated Class Action Complaint (the “First Consolidated Bond/Notes Complaint”), on behalf of themselves and all persons and entities (except the Defendants and their affiliated or related Persons) who purchased or otherwise acquired certain Wachovia preferred securities, bonds or notes (“Bond

Class Securities,” as further defined below) in or traceable to publicly registered offerings (the “Offerings”) conducted between July 31, 2006 and May 29, 2008 (the “Offering Period”) pursuant to one of five separate shelf registration statements, which each allegedly incorporated by reference the prospectus and certain other materials for each given Offering (collectively, the “Offering Materials”), and which were filed with the Securities and Exchange Commission (“SEC”). The First Consolidated Bond/Notes Complaint asserted claims under Sections 11, 12(a)(2) and 15 of the Securities Act against the following Defendants: (a) Wachovia and certain of its directors, officers and affiliates (collectively, with Wells Fargo, the “Wachovia Defendants,” as further defined above and below); (b) certain non-Wachovia underwriters who underwrote all or portions of the Offerings (the “Underwriter Defendants,” as further defined below); (c) KPMG, Wachovia’s outside auditor which certified Wachovia’s 2006 and 2007 annual financial statements which were incorporated into the Offering Materials for a majority of the Offerings at issue; and (d) Wells Fargo in its capacity as successor-in-interest to the outstanding debts and pre-merger liabilities of Wachovia (which merged with and into Wells Fargo, with Wells Fargo surviving the merger, on December 31, 2008).

G. On November 3, 2009, the Wachovia Defendants, the Underwriter Defendants and KPMG each filed a separate motion to dismiss the First Consolidated Bond/Notes Complaint and briefs and exhibits in support thereof. Lead Bond/Notes Plaintiffs filed their consolidated brief in opposition to these motions on December 18, 2009, and the various Defendants filed their respective reply briefs on February 4, 2010.

H. On April 15, 2010, the Court issued an Order advising all plaintiffs in the Bond/Notes Action and the Equity Actions that if they ever intended to seek leave to amend their pleadings, they should do so no later than April 26, 2010, so that the Court could avoid the need

to rule more than once on the sufficiency of the respective plaintiffs' pleadings. Lead Bond/Notes Plaintiffs subsequently sought leave to file an amended complaint, and on May 3, 2010, the Court granted the motion.

I. On May 28, 2010, Lead Bond/Notes Plaintiffs and Additional Bond/Notes Plaintiffs (collectively, "Bond/Notes Plaintiffs") filed their Amended Consolidated Class Action Complaint (the "Amended Bond/Notes Complaint"), which re-pled Lead Bond/Notes Plaintiffs' previously asserted claims under Sections 11, 12(a)(2) and 15 of the Securities Act against the Defendants, and which also supplemented their prior allegations with (among other things) the statements of numerous additional confidential witnesses. The Amended Bond/Notes Complaint alleged that the Offering Materials materially misstated and failed to disclose the true nature and quality of Wachovia's mortgage loan portfolio, and materially misled investors as to Wachovia's exposure to tens of billions of dollars of losses on mortgage-related assets. The Amended Bond/Notes Complaint (like its predecessor complaint) alleged that, *inter alia*, the Offering Materials contained material misstatements – and omitted to state facts necessary to make the representations contained in the Offering Materials not materially misleading – concerning, among other things, the risk profile and quality of Wachovia's \$120 billion Pick-A-Pay option adjustable rate residential mortgage loan portfolio (the "Pick-A-Pay Portfolio"); the nature and quality of the in-house appraisals and underwriting processes used in underwriting Wachovia's Pick-A-Pay Portfolio; Wachovia's publicly reported loan-to-value ratios for the Pick-A-Pay Portfolio; the adequacy of Wachovia's reported loan loss reserves; the valuation of Wachovia's holdings of collateralized debt obligations and subprime residential mortgage backed securities; the valuation of the goodwill that Wachovia carried as an asset on its financial statements in connection with its 2006 acquisition of Golden West Financial Corporation (whose primary asset,

in turn, was the Pick-A-Pay Portfolio); Wachovia's stated net income, total assets and Tier 1 capital; and Wachovia's compliance with Generally Accepted Accounting Principles ("GAAP").

J. On July 14, 2010, the Wachovia Defendants, the Underwriter Defendants and KPMG each filed a separate motion to dismiss the Amended Bond/Notes Complaint and briefs and exhibits in support thereof. Lead Bond/Notes Plaintiffs filed their consolidated brief in opposition to these motions on August 13, 2010, and the various Defendants filed reply briefs in support of their motions on September 15, 2010.

K. In November 2010, counsel for the Wachovia Defendants and counsel for Lead Bond/Notes Plaintiffs commenced a preliminary dialogue to explore the possibility of commencing settlement discussions under the auspices of an appropriately experienced and mutually agreeable mediator. After further discussions, during the winter of 2010-2011, Lead Bond/Notes Plaintiffs and the Wachovia Defendants eventually agreed to retain Judge Daniel Weinstein (ret.) ("Judge Weinstein" or the "Mediator") to assist them in exploring a potential negotiated resolution of the claims against the Wachovia Defendants, and met and exchanged certain information under the auspices of the Mediator in late March 2011 (including a two-day face-to-face mediation session held in New York City) in an effort to determine if the claims against the Wachovia Defendants could be settled. As a result of these discussions and separate one-on-one communications with the Mediator, both sides concluded that enough progress and serious interest in exploring a *bona fide* and fair, reasonable and adequate settlement had been made to warrant a further set of meetings under the auspices of the Mediator to be held in April 2011. However, no settlement was reached during March 2011, as the Lead Bond/Notes Plaintiffs and the Wachovia Defendants remained far apart.

L. On March 31, 2011, the Court entered its Opinion and Order on the various motions to dismiss that had been filed in both this Action (the Bond/Notes Action) and in each of the separate Equity Actions. *See In re Wachovia Equity Sec. Litig.*, 753 F. Supp. 2d 326, 2011 U.S. Dist. LEXIS 36129 (S.D.N.Y. March 31, 2011) (RJS) (the “March 31 Opinion”). The March 31 Opinion dismissed in their entirety the claims asserted in the various Equity Actions, but denied in substantial part each of the motions to dismiss the Amended Bond/Notes Complaint filed by the various Defendants in this Action.

M. Following the issuance of the Court’s March 31 Opinion, on April 14, 2011, KPMG filed a Motion for Reconsideration, which requested that the Court reconsider its March 31 Opinion and that the Court, upon reconsideration, grant KPMG’s earlier motion to dismiss all claims asserted against it. Also on April 14, 2011, in accordance with the Hon. Richard J. Sullivan’s Rules of Individual Practice, KPMG filed a letter with the Court requesting a pre-motion conference and permission to file a motion for leave to file an interlocutory appeal of the Court’s March 31 Opinion under 28 U.S.C. §1292(b).

N. The Wachovia Defendants and Lead Bond/Notes Plaintiffs engaged in further separate one-on-one oral and written communications with the Mediator, Judge Weinstein, to discuss with him, *inter alia*, their respective views on the impact of the Court’s March 31 Opinion on the Bond/Notes Action, and to determine whether continuation of their earlier settlement discussions from March were warranted and/or likely to be productive. After conducting various one-on-one conversations with the relevant counsel, Judge Weinstein recommended that both sides meet again under his auspices in New York on April 28, 2011 in order to attempt to reach a settlement, and both sides thereafter agreed to do so.

O. With the assistance of Judge Weinstein as Mediator, and after a further full day of protracted face-to-face meetings, presentations and arm's-length negotiation, counsel for the Wachovia Defendants and Lead Bond/Notes Plaintiffs entered into a binding term sheet (the "Wachovia Term Sheet") to settle and release all claims asserted against the Wachovia Defendants and the Underwriter Defendants (but not KPMG) for \$590 million, all cash, subject to certain terms and conditions and the execution of a customary "long form" stipulation and agreement of settlement and related papers. The resolution with the Wachovia Defendants left KPMG as the only non-settling Defendant in this Action.

P. In the first week of May 2011, promptly after reaching their agreement to settle with the Wachovia Defendants, Lead Bond/Notes Counsel contacted KPMG's counsel to explore the possibility of commencing settlement discussions. On May 5, 2011, counsel for both KPMG and Lead Bond/Notes Plaintiffs participated in a conference call with the Court, where the parties jointly requested – and the Court granted – an extension of all pending litigation deadlines for 45 days in order to allow the parties a reasonable opportunity to explore possible settlement discussions.

Q. Initial settlement discussions revealed that Lead Bond/Notes Plaintiffs' and KPMG's settlement positions were far apart. However, rather than abandon further settlement discussions, in late May 2011, Lead Bond/Notes Plaintiffs and KPMG agreed to retain Judge Weinstein (who had also mediated the successful settlement negotiations between Lead Bond/Notes Plaintiffs and the Wachovia Defendants, and who was therefore already fully familiar with the relevant issues in the case) to assist them in exploring a potential resolution of the claims asserted against KPMG.

R. Pursuant to a pre-mediation schedule agreed upon by the parties, Lead Bond/Notes Plaintiffs and KPMG exchanged comprehensive mediation briefs and other materials during late May and early June 2011, and thereafter participated in a two-day face-to-face mediation session under the auspices of Judge Weinstein in New York City on June 13 and 14, 2011. After conclusion of these face-to-face and arm's-length negotiations, the parties continued to remain far apart. In the following days, however, the Mediator continued to engage in separate one-on-one communications with counsel for Lead Bond/Notes Plaintiffs and KPMG, respectively, in an effort to narrow and, if possible, resolve the parties' differences. Accordingly, although negotiations remained difficult, enough progress was made that, at the Mediator's request, both sides agreed to make two additional requests to the Court for further brief extensions of the pending litigation deadlines – both of which the Court granted – in order to allow the parties additional time to try to reach a settlement.

S. On Thursday, June 23, 2011, Lead Bond/Notes Plaintiffs and KPMG reached an agreement in principle to settle all claims asserted against KPMG for \$37 million in cash. However, disagreements remained over certain non-monetary terms of the proposed settlement, with the result that negotiations over the terms of a binding term sheet continued for several additional days as the parties engaged in further arm's-length negotiations to resolve their remaining differences.

T. On June 28, 2011, counsel for KPMG and Lead Bond/Notes Plaintiffs entered into a binding term sheet (the "KPMG Term Sheet") to settle and release all claims asserted against KPMG for \$37 million, all cash, subject to certain terms and conditions and the execution of a customary "long form" stipulation and agreement of settlement and related papers.

U. This Stipulation and Agreements of Settlement (together with the exhibits hereto and certain other documents referred to herein), has been duly executed by the undersigned signatories on behalf of their respective clients, and reflects (a) the final and binding agreement between Bond/Notes Plaintiffs and the Wachovia Defendants, and (b) the final and binding agreement between Bond/Notes Plaintiffs and KPMG, consistent with the terms of the Settling Parties' respective earlier term sheets.

V. Each of the Settling Defendants denies any wrongdoing, and this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Settling Defendants, or any other of the Released Defendant Persons (defined below), with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Settling Defendants have, or could have, asserted. The Settling Defendants expressly deny that Bond/Notes Plaintiffs have asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing or damages whatsoever. Similarly, this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Bond/Note Plaintiff of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Settling Defendants' affirmative defenses to liability had any merit. Each of the Settling Parties recognizes and acknowledges, however, that the Bond/Notes Action has been initiated, filed and prosecuted by Bond/Notes Plaintiffs in good faith and defended by the Settling Defendants in good faith, that the Action is being voluntarily settled with the advice of counsel, and that the terms of both the Wachovia Settlement and the KPMG Settlement are fair, adequate and reasonable.

W. Lead Bond/Notes Counsel have conducted an extensive pre-filing investigation relating to the claims and the underlying events and transactions alleged in the Amended Bond/Notes Complaint. For example, Lead Bond/Notes Counsel (a) identified, interviewed and analyzed the statements of well over 150 confidential witnesses, (b) collected, reviewed and analyzed hundreds of SEC filings, press releases, news articles and analyst reports concerning Wachovia and the events and circumstances at issue in this Action, and (c) thoroughly researched the applicable law with respect to the claims of Bond/Notes Plaintiffs and the Settlement Class against the Settling Defendants, including Defendants' potential defenses thereto.

X. In addition, in the period immediately following the Court's denial (in substantial part) of the Defendants' respective motions to dismiss, and pursuant to Lead Bond/Notes Counsel's specific requests, the Wachovia Defendants produced to Lead Bond/Notes Counsel, and Lead Bond/Notes Counsel have undertaken the process of reviewing and analyzing, over 9 million pages of internal Wachovia and Wells Fargo documents concerning the matters alleged in the Amended Bond/Notes Complaint. In addition, during the same period, the Wachovia Defendants have made available to Lead Bond/Notes Counsel, and Lead Bond/Notes Counsel are in the process of interviewing approximately fifteen current Wells Fargo and/or Wachovia personnel (including former Wachovia personnel now employed by Wells Fargo) who have knowledge of the matters alleged in the Amended Bond/Notes Complaint. Similarly, pursuant to Lead Bond/Notes Counsel's specific requests, KPMG has produced to Lead Bond/Notes Counsel, and Lead Bond/Notes Counsel have undertaken the process of reviewing and analyzing, over 285,000 pages of internal KPMG documents (including the relevant portions of KPMG's workpapers) concerning the matters alleged in the Amended Bond/Notes Complaint against KPMG. In addition, KPMG has made available to Lead Bond/Notes Counsel, and Lead Bond/Notes

Counsel have interviewed (or are scheduled to interview) a number of current KPMG personnel who have knowledge of the matters alleged in the Amended Bond/Notes Complaint that are the subject of Bond/Notes Plaintiffs' claims against KPMG (including matters concerning the nature, scope and content of KPMG's annual audits of Wachovia's financial statements).

Y. Based upon their investigation and their prosecution of the case, and subject to the completion of the due diligence discovery provided for under the Terms Sheets and referenced herein, Lead Bond/Notes Counsel have concluded that the terms and conditions of this Stipulation are fair, reasonable and adequate to the Bond/Notes Plaintiffs and the other members of the Settlement Class, and in their best interests. Based on Lead Bond/Notes Plaintiffs' direct oversight of the prosecution of this matter and with the advice of their counsel (including both their undersigned lead counsel and their respective regular in-house or external "general counsel"), each of the Lead Bond/Notes Plaintiffs have agreed to settle the claims raised in the Bond/Notes Action pursuant to the terms and provisions of this Stipulation, after considering (a) the very substantial financial benefits that Lead Bond/Notes Plaintiffs and the other members of the Settlement Class will receive under the proposed Settlement, (b) the significant risks of continued litigation, and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of this Stipulation.

NOW THEREFORE, without any admission or concession whatsoever on the part of Lead Bond/Notes Plaintiffs, or any other members of the Settlement Class, or Lead Bond/Notes Counsel of any lack of merit in any aspect of the claims asserted in the Bond/Notes Action, and without any admission or concession whatsoever on the part of the Settling Defendants, or any other of the Released Defendant Persons, or Settling Defendants' Counsel (defined below) of any

liability or wrongdoing or of any lack of merit in the defenses they asserted to the claims alleged in this Action, it is hereby STIPULATED AND AGREED,

- (a) by and among Lead Bond/Notes Plaintiffs (individually and in their representative capacities) and the Wachovia Defendants, by and through their respective undersigned attorneys and subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, the PSLRA and other conditions set forth herein, that, in consideration of the benefits flowing to these Settling Parties from the Wachovia Settlement, all Released Bond/Notes Claims as against the Wachovia Releasees and all Released Wachovia Defendant Persons' Claims as against the Bond/Notes Plaintiff-Related Releasees shall be fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed, on the merits and with prejudice; and
- (b) by and among Lead Bond/Notes Plaintiffs (individually and in their representative capacities) and KPMG, by and through their respective undersigned attorneys and subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, the PSLRA and other conditions set forth herein, that, in consideration of the benefits flowing to these Settling Parties from the KPMG Settlement, all Released Bond/Notes Claims as against the KPMG Releasees and all Released KPMG Defendant Persons' Claims as against the Bond/Notes Plaintiff-Related Releasees shall be fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed, on the merits and with prejudice,

in accordance with and subject to the terms and conditions set forth below.

**I. DEFINITIONS**

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

(a) “Additional Bond/Notes Plaintiffs” means the additional named plaintiffs in the Bond/Notes Action, namely, the Hawaii Sheet Metal Workers Pension Fund, Iron Workers Locals 40, 361 & 417 Union Security Funds, Norman Levin, City of Livonia Employees’ Retirement System, Arlette Miller, Michael Swiskay, Michael Swiskay, as trustee of the Judith R. Swiskay Irrevocable Trust U/A 7/16/2007, Michael Swiskay, as trustee of the Trust U/W/O Hanan Swiskay FBO Jeffrey Swiskay, and Michael Swiskay, as trustee of the Trust U/W/O Hanan Swiskay.

(b) “Alternative Judgment” means a form of final judgment that may be entered by the Court herein but in a form other than the form of Judgment provided for in this Stipulation.

(c) “Amended Bond/Notes Complaint” means the Amended Consolidated Class Action Complaint filed by Lead Bond/Notes Plaintiffs in the Bond/Notes Action on or about May 28, 2010.

(d) “Authorized Claimant” means a Settlement Class Member who submits a timely and valid Proof of Claim Form to the Claims Administrator, in accordance with the requirements established by the Court, that is approved for payment from the Net Settlement Fund.

(e) “Bond Class Securities” means 6.375% Wachovia Capital Trust IV Trust Preferred Securities (CUSIP No. 92978U207), 6.375% Wachovia Capital Trust IX Trust Preferred Securities (92978X201), 7.85% Wachovia Capital Trust X Trust Preferred Securities

(92979K208), 8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J (929903276), Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K (929403243) (later denominated 929903EF5), 7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L (929903219), Three-Month LIBOR Floating Rate Notes Due August 1, 2013 (92976WBB1), 5.70% Notes Due August 1, 2013 (92976WBA3), Three-Month LIBOR Floating Rate Notes Due October 15, 2011 (929903CG5), 5.30% Notes Due October 15, 2011 (929903CF7), 5.625% Subordinated Notes Due October 15, 2016 (929903CH3), Three-Month LIBOR Floating Rate Subordinated Notes Due October 15, 2016 (929903CJ9), Three-Month LIBOR Floating Rate Senior Notes Due December 1, 2009 (92976WBC9), Three-Month LIBOR Floating Rate Notes Due April 23, 2012 (929903DF6), Three-Month LIBOR Floating Rate Notes Due June 15, 2017 (929903DU3), 5.75% Notes Due June 15, 2017 (929903DT6), Three-Month LIBOR Floating Rate Notes Due July 26, 2010 (92976WBD7), Three-Month LIBOR Floating Rate Notes Due August 20, 2009 (929903EC2), Three-Month LIBOR Floating Rate Notes Due November 24, 2009 (92976WBG0), 5.75% Notes due February 1, 2018 (92976WBH8), 5.50% Fixed Rate Notes Due May 1, 2013 (92976WBJ4), and Three Month LIBOR Floating Rate Notes due May 1, 2013 (92976WBK1).

(f) “Bond/Notes Action” or “Action” means *In re Wachovia Preferred Securities and Bond/Notes Litigation*, Master File No. 09 Civ. 6351 (S.D.N.Y.) (RJS), and includes all actions consolidated therein pursuant to the Court’s Bond/Notes Consolidation Order or otherwise, including, the subsequently filed action denominated *City of Livonia Employees’ Retirement System v. Wachovia Corp., et al.*, No. 09 Civ. 8268 (S.D.N.Y.) (RJS).

(g) “Bond/Notes Plaintiffs” means Lead Bond/Notes Plaintiffs and the Additional Bond/Notes Plaintiffs.

(h) “Bond/Notes Plaintiffs’ Counsel” means Lead Bond/Notes Counsel and all other legal counsel who, at the direction and under the supervision of Lead Bond/Notes Counsel, performed services on behalf of or for the benefit of the Settlement Class.

(i) “Bond/Notes Plaintiff-Related Releasees” means the Bond/Notes Plaintiffs and all other Settlement Class Members, and Bond/Notes Plaintiffs’ Counsel and each of their heirs, executors, administrators, predecessors, successors and assigns.

(j) “Claim” means a Proof of Claim Form submitted to the Claims Administrator.

(k) “Claim Form” or “Proof of Claim Form” means the form, substantially in the form attached hereto as Exhibit 2 to Exhibit A, that a Claimant or Settlement Class Member must complete should that Claimant or Settlement Class Member seek to share in a distribution of the Net Settlement Fund.

(l) “Claimant” means a Person that submits a Claim Form to the Claims Administrator seeking to share in the proceeds of the Settlement Fund.

(m) “Claims Administrator” means the firm retained by Lead Bond/Notes Counsel on behalf of the Settlement Class, subject to approval of the Court, to provide all notices approved by the Court to potential Settlement Class Members and to administer the Settlements.

(n) “Complete Bar Order” means the bar order, the text of which is set forth in ¶ 34 below, to be proposed to the Court as part of the Judgment, or Alternative Judgment if applicable.

(o) “Court” means the United States District Court for the Southern District of New York.

(p) “Defendants” means the Wachovia Defendants, the Underwriter Defendants and KPMG.

(q) “Effective Date,” with respect to the Settlements (or either of them, as applicable), shall occur upon the occurrence or waiver of all of the conditions set forth in ¶¶ 40, 42(h), or 43(h), below.

(r) “Escrow Account” means an account maintained at the New York branch of Citibank, N.A. to hold the Settlement Fund, which account, subject to the Court’s supervisory authority, shall be under the control of Lead Bond/Notes Counsel.

(s) “Escrow Agent” means the New York branch of Citibank, N.A.

(t) “Escrow Agreement” means the agreement between Lead Bond/Notes Counsel and the Escrow Agent setting forth the terms under which the Escrow Agent shall maintain the Escrow Account.

(u) “Final,” with respect to the Judgment, or Alternative Judgment, if applicable, means: (a) if no appeal is filed, the expiration date of the time provided for filing or noticing of any appeal under the Federal Rules of Civil Procedure or any other applicable federal rules; or (b) if there is an appeal from the Judgment, or Alternative Judgment, if applicable, the date of (i) final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise to review the Judgment, or Alternative Judgment, if applicable, or (ii) the date the Judgment, or Alternative Judgment, if applicable, is finally affirmed on an appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review of the Judgment, or Alternative Judgment, if applicable, and, if certiorari or other form of review is granted, the date of final affirmance of the Judgment, or Alternative Judgment, if applicable, following review pursuant to that grant.

However, any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to (i) attorneys' fees, costs or expenses, or (ii) the plan of allocation (as submitted or subsequently modified), shall not in any way delay or preclude the Judgment or Alternative Judgment, if applicable, from becoming Final.

(v) "Immediate Family" means an individual's spouse, parents, siblings, children, grandparents, grandchildren; the spouses of his or her parents, siblings and children; and the parents and siblings of his or her spouse, and includes step and adoptive relationships. In this paragraph, "spouse" shall mean a husband, a wife, or a partner in a state-recognized domestic partnership or civil union.

(w) "Individual Defendants" means G. Kennedy Thompson, Peter M. Carlson, Ross E. Jeffries, Jr., David M. Julian, Mark C. Treanor, Donald K. Truslow, Thomas J. Wurtz, John D. Baker, II, Robert J. Brown, Peter C. Browning, John T. Casteen, III, Jerome A. Gitt, William H. Goodwin, Jr., Maryellen C. Herringer, Robert A. Ingram, Donald M. James, Mackey J. McDonald, Joseph Neubauer, Timothy D. Proctor, Ernest S. Rady, Van L. Richey, Ruth G. Shaw, Lanty L. Smith, John C. Whitaker, Jr., and Dona Davis Young.

(x) "Insurers" means any and all of the Settling Defendants' insurance carriers who may contribute to the payment of the Total Settlement Amount.

(y) "Investment Vehicle" means any investment company or pooled investment fund, including but not limited to mutual fund families, exchange-traded funds, fund of funds and hedge funds, in which any Underwriter Defendant has or may have a direct or indirect interest, or as to which its affiliates may act as an investment advisor; provided, however, that any Claim Form submitted by an Investment Vehicle shall be limited to purchases made on behalf of or for the benefit of Persons other than Persons that are excluded from the

Settlement Class by definition. This definition does not bring into the Settlement Class any of the Underwriter Defendants.

(z) “Judgment” means the final judgment and order, substantially in the form attached hereto as Exhibit B, to be entered approving the Settlements and dismissing the Action against the Released Defendant Persons on the merits with prejudice.

(aa) “KPMG Releasees” means KPMG and its present and former parents, subsidiaries, divisions and affiliates and their respective present and former employees, members, partners, principals, Section 16 Officers, directors, agents, attorneys, advisors, administrators, representatives, accountants, auditors, insurers, and agents; the predecessors, successors, estates, heirs, executors, administrators, and assigns of each of them in their capacity as such, and any firm, trust, corporation, or other entity in which KPMG has or had a controlling interest. Notwithstanding the foregoing, KPMG Releasees do not include any of the Wachovia Releasees.

(bb) “KPMG Settlement” means the settlement between Lead Bond/Notes Plaintiffs and KPMG on the terms and conditions set forth in this Stipulation.

(cc) “KPMG Settlement Amount” means Thirty Seven Million Dollars (\$37,000,000) in cash to be paid by or on behalf of KPMG.

(dd) “Lead Bond/Notes Counsel” means the law firms of Bernstein Litowitz Berger & Grossmann LLP, Kessler Topaz Meltzer & Check, LLP, and Robbins Geller Rudman & Dowd LLP.

(ee) “Lead Bond/Notes Plaintiffs” means Orange County Employees’ Retirement System, Louisiana Sheriffs’ Pension and Relief Fund, and Southeastern Pennsylvania Transportation Authority.

(ff) “Litigation Expenses” means costs and expenses incurred in connection with commencing and prosecuting the Action (which may include the costs and expenses of Bond/Notes Plaintiffs directly related to their representation of the Settlement Class), for which Lead Bond/Notes Counsel intend to apply to the Court for reimbursement from the Settlement Fund.

(gg) “Net Settlement Fund” means the Settlement Fund less: (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; and (iv) any attorneys’ fees awarded by the Court.

(hh) “Non-Settling Defendants” means: (i) KPMG, in the event that KPMG exercises its option to terminate the KPMG Settlement in accordance with this Stipulation or the Effective Date as to the KPMG Settlement otherwise does not occur, and the Effective Date of the Wachovia Settlement does occur; (ii) the Wachovia Defendants and the Underwriter Defendants, in the event that the Wachovia Defendants exercise their option to terminate the Wachovia Settlement in accordance with this Stipulation or the Effective Date as to the Wachovia Settlement otherwise does not occur, and the Effective Date of the KPMG Settlement does occur; and (iii) any Underwriter Defendant that fails to provide an Underwriter Defendant Release in accordance with this Stipulation.

(ii) “Notice” means the Notice of (I) Pendency of Class Action; (II) Proposed Settlements and Plan of Allocation; (III) Settlement Fairness Hearing; and (IV) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses, which is to be sent to Settlement Class Members, substantially in the form attached hereto as Exhibit 1 to Exhibit A.

(jj) “Notice and Administration Costs” means the costs, fees and expenses that are incurred by the Claims Administrator and Lead Bond/Notes Counsel in

connection with (i) providing notice to the Settlement Class; and (ii) administering the Claims process as well as the costs, fees and expenses incurred in connection with the Escrow Account; *provided however*, that the Notice and Administration Costs shall not include any Litigation Expenses or any attorneys' fees awarded by the Court.

(kk) "Person" means an individual, corporation, partnership, limited partnership, limited liability partnership, limited liability corporation, association, affiliate, joint stock company, government and any political subdivision thereof, legal representative, trust, trustee, unincorporated association, or any business or legal entity.

(ll) "Plan of Allocation" means the proposed plan of allocation of the Net Settlement Fund set forth in the Notice.

(mm) "Preliminary Approval Order" means the order, substantially in the form attached hereto as Exhibit A, to be entered by the Court preliminarily approving the Settlement and directing notice be provided to the Settlement Class.

(nn) "PSLRA" means the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, *et seq.*, as amended.

(oo) "Releases" means the releases and waivers set forth in ¶¶ 5-8 of this Stipulation.

(pp) "Released Bond/Notes Claims" means any and all claims and any and all causes of action of every nature and description, including both known claims and Unknown Claims, whether based on federal, state, local or foreign statutory law or common law, rule or regulation, whether fixed or contingent, foreseen or unforeseen, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, existing now or to be created in the future, whether direct, representative, class or individual in nature, that Lead Bond/Notes Plaintiffs or

any other member of the Settlement Class (a) asserted in the Bond/Notes Action, or (b) could have asserted in any forum that arise out of, are based upon or are related to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Amended Bond/Notes Complaint and that arise out of or are based upon the purchase or other acquisition or sale of the Bond Class Securities during the Settlement Class Period. Released Bond/Notes Claims do not include, release, bar waive, impair or otherwise impact (i) any claims asserted in the actions styled *In re Wachovia Equity Securities Litigation*, No. 08 Civ. 6171 (RJS), *Stichting Pensioenfonds ABP, et al. v. Wachovia Corp., et al.*, 09 Civ. 04473 (RJS), and *FC Holdings AB, et al. v. Wells Fargo & Co., et al.*, No. 09 Civ. 5466 (RJS); or (ii) any claims of any Settlement Class Member against any Non-Settling Defendants. Additionally, Released Bond/Notes Claims do not include claims relating to the enforcement of the Settlements and do not include any claims against any Underwriter Defendant that does not provide to Lead Bond/Notes Counsel a signed Underwriter Defendant Release by the date that is five (5) business days prior to the date of the Settlement Hearing.

(qq) “Released Claims” means all Released Bond/Notes Claims and all Released Defendant Persons’ Claims.

(rr) “Released Defendant Persons” means all Wachovia Releasees and all KPMG Releasees.

(ss) “Released Defendant Persons’ Claims” means all Released KPMG Defendant Persons’ Claims and all Released Wachovia Defendant Persons’ Claims.

(tt) “Released Defendants” means the Settling Defendants and the Underwriter Defendants who provide a signed Underwriter Defendant Release by the date that is

five (5) business days prior to the date of the Settlement Hearing, but specifically does not include any Non-Settling Defendants.

(uu) “Released KPMG Defendant Persons’ Claims” means any and all claims and any and all causes of action of every nature and description, including both known claims and Unknown Claims, whether based on federal, state, local or foreign statutory law or common law, rule or regulation, whether fixed or contingent, foreseen or unforeseen, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, existing now or to be created in the future, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims by Lead Bond/Notes Plaintiffs, the Settlement Class and their counsel, including Lead Bond/Notes Counsel, against KPMG and the other KPMG Releasees, except for claims relating to the enforcement of the Settlement.

(vv) “Released Wachovia Defendant Persons’ Claims” means any and all claims and any and all causes of action of every nature and description, including both known claims and Unknown Claims, whether based on federal, state, local or foreign statutory law or common law, rule or regulation, whether fixed or contingent, foreseen or unforeseen, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, existing now or to be created in the future, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims by Lead Bond/Notes Plaintiffs, the Settlement Class and their counsel, including Lead Bond/Notes Counsel, against the Wachovia Defendants and the other Wachovia Releasees, except for claims relating to the enforcement of the Settlement.

(ww) “Releasee(s)” means each and any of the Wachovia Releasees, the KPMG Releasees and the Bond/Notes Plaintiff-Related Releasees.

(xx) “Section 16 Officers” means all persons covered by the definition of “officer” under Rule 16a-1(f) of the Securities Exchange Act of 1934.

(yy) “Settlements” refers collectively to the Wachovia Settlement and the KPMG Settlement, as embodied in this Stipulation.

(zz) “Settlement Class” means all Persons who purchased or otherwise acquired Bond Class Securities during the Settlement Class Period, and were damaged thereby. Excluded from the Settlement Class are all Defendants in the Action and their respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any entity in which any Defendant has or had a controlling interest, and any Person who has entered into a tolling agreement in connection with this Action and his, her or its respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any entity in which any such Person has or had a controlling interest, provided that any Investment Vehicle (as defined herein) shall not be deemed an excluded Person by definition. Also excluded from the Settlement Class are any Persons who exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in the Notice.

(aaa) “Settlement Class Member” means a Person that is a member of the Settlement Class and does not exclude himself, herself or itself by submitting a request for exclusion in accordance with the requirements set forth in the Notice.

(bbb) “Settlement Class Period” means the time period from the first date on which any of the Bond Class Securities were offered through and including February 27, 2009.

(ccc) “Settlement Fund” means the Total Settlement Amount plus any and all interest earned thereon.

(ddd) “Settlement Hearing” means the hearing set by the Court under Rule 23(e)(2) of the Federal Rules of Civil Procedure to consider final approval of the Settlements.

(eee) “Settling Defendants” means the Wachovia Defendants and KPMG.

(fff) “Settling Defendants’ Counsel” means the law firms of Fried, Frank, Harris, Shriver & Jacobson LLP (on behalf of the Wachovia Defendants) and Williams & Connolly LLP (on behalf of KPMG).

(ggg) “Settling Parties” means the Settling Defendants and Lead Bond/Notes Plaintiffs, on behalf of themselves and the Settlement Class Members.

(hhh) “Summary Notice” means the Summary Notice of (I) Pendency of Class Action; (II) Proposed Settlements and Plan of Allocation; (III) Settlement Fairness Hearing; and (IV) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses, substantially in the form attached hereto as Exhibit 3 to Exhibit A, to be published as set forth in the Preliminary Approval Order.

(iii) “Taxes” means: (i) all federal, state and/or local taxes (including any interest or penalties thereon) of any kind on any income earned by the Settlement Fund; and (ii) the reasonable expenses and costs incurred by Lead Bond/Notes Counsel in connection with determining the amount of, and paying, any taxes owed by the Settlement Fund (including, without limitation, reasonable expenses of tax attorneys and accountants).

(jjj) “Total Settlement Amount” means the Wachovia Settlement Amount and the KPMG Settlement Amount.

(kkk) “Underwriter Defendants” means Banc of America Securities LLC, Barclays Capital Inc., BB&T Capital Markets, Citigroup Global Markets, Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., Guzman & Company, Jackson Securities, LLC, Loop Capital Markets, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co., Incorporated, M.R. Beal & Company, Muriel Siebert & Co., Inc., Samuel A. Ramirez & Company, Inc., Sandler O’Neill & Partners, L.P., UBS Securities LLC, The Williams Capital Group, L.P., ABN AMRO Inc., Bank of America Corp. (as successor-in-interest to Countrywide Securities Corp.), B.C. Ziegler and Company, Bear, Stearns & Co., Inc., BNP Paribas Securities Corp., Cabrera Capital Markets, LLC, CastleOak Securities, L.P., Charles Schwab & Co., Inc., C.L. King & Associates, Inc., Comerica Securities, Inc., Countrywide Securities Corp., D.A. Davidson & Co., Davenport & Company LLC, E\*TRADE Securities LLC, Ferris, Baker Watts, Inc. (n/k/a RBC Capital Markets Corporation), Fidelity Capital Markets Services (a division of National Financial Services LLC), Fifth Third Securities, Inc., Fixed Income Securities, L.P., FTN Financial Securities Corp., Greenwich Capital Markets, Inc., Howe Barnes Hofer & Arnett, Inc., H&R Block Financial Advisors, Inc. (n/k/a Ameriprise Advisor Services, Inc.), HSBC Securities (USA) Inc., Janney Montgomery Scott LLC, J.B. Hanauer & Co, Jefferies & Company, Inc., J.J.B. Hilliard, W.L. Lyons, Inc., JPMorgan Chase (as successor-in-interest to Bear, Stearns & Co., Inc.), J.P. Morgan Securities LLC f/k/a J.P. Morgan Securities Inc. (as successor-in-interest to Bear, Stearns & Co., Inc.), JVB Financial Group, LLC, Keefe, Bruyette & Woods, Inc., KeyBanc Capital Markets Inc., Mesirow Financial, Inc., Morgan Keegan & Company, Inc., NatCity Investments, Inc., Oppenheimer & Co. Inc., PNC Investments, LLC (as successor in interest to NatCity Investments, Inc.), Pershing LLC, Piper Jaffray & Co., Popular Securities, Inc., RBC Capital

Markets Corporation, RBC Dain Rauscher Inc. (n/k/a RBC Capital Markets Corporation), Raymond James & Associates, Inc., Robert W. Baird & Co. Inc., Ross, Sinclair & Associates, LLC, Ryan Beck & Co., Inc., Sterne, Agee & Leach, Inc., Stifel, Nicolaus & Company, Inc., SunTrust Capital Markets, Inc. (n/k/a SunTrust Robinson Humphrey, Inc.), TD Ameritrade, Inc., Toussaint Capital Partners, LLC, Utendahl Capital Partners, L.P., Wedbush Morgan Securities Inc., and William Blair & Company, LLC.

(lll) “Underwriter Defendant Release” means a release of claims by an Underwriter Defendant of any and all of its claims against Bond/Notes Plaintiffs, the other Settlement Class Members and their respective attorneys that is equivalent in scope to the Releases being provided by the Settling Defendants pursuant to this Stipulation.

(mmm) “Unknown Claims” means any Released Bond/Notes Claims which Lead Bond/Notes Plaintiffs or any other 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 Defendant Persons, and any Released Defendant Persons’ Claims which any Released Defendant Person does not know or suspect to exist in his, her, or its favor at the time of the release of the Bond/Notes Plaintiff-Related Releasees, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to the applicable Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that,

(i) upon the Effective Date as to the Wachovia Settlement, Lead Bond/Notes Plaintiffs and each of the Wachovia Defendants shall expressly waive, and each of the other Settlement Class Members and each of the other Wachovia Releasees shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, and

(ii) upon the Effective Date as to the KPMG Settlement, Lead Bond/Notes Plaintiffs and each of the KPMG shall expressly waive, and each of the other Settlement Class Members and each of the other KPMG Releasees, 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 or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Bond/Notes Plaintiffs and each of the Wachovia Defendants acknowledge, and each of the other Settlement Class Members and each of the other Wachovia Releasees shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Wachovia Settlement; and Lead Bond/Notes Plaintiffs and KPMG acknowledge, and each of the other Settlement Class Members and each of the other KPMG Releasees shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the KPMG Settlement.

(nnn) “Wachovia” means Wachovia Corporation.

(ooo) “Wachovia Capital Trusts” means Wachovia Capital Trust IV, Wachovia Capital Trust IX, and Wachovia Capital Trust X.

(ppp) “Wachovia Defendants” means Wachovia, the Wachovia Capital Trusts, Wachovia Capital Markets, LLC, Wells Fargo Securities, LLC, A.G. Edwards & Sons, Wells Fargo, and the Individual Defendants.

(qqq) “Wachovia Releasees” means the Wachovia Defendants and the Underwriter Defendants, their respective present and former direct and/or indirect parents, subsidiaries, divisions and affiliates and their respective present and former employees, members, partners, principals, Section 16 Officers, directors, agents, attorneys, advisors, administrators, representatives, accountants, auditors, insurers, and agents; the predecessors, successors, estates, heirs, executors, trusts, trustees, administrators, and assigns of each of them, in their capacity as such; and any firm, trust, corporation or other entity in which any Wachovia Defendant or Underwriter Defendant has or had a controlling interest, and the Immediate Family members of the Individual Defendants. The term Wachovia Releasees, however, shall not include any Underwriter Defendant which does not provide to Lead Bond/Notes Counsel a signed Underwriter Defendant Release by the date that is five (5) business days prior to the date of the Settlement Hearing; in such cases, any such Underwriter Defendant(s) and their respective related Persons shall not be a Wachovia Releasee under the terms of this Stipulation or otherwise be entitled to any of the rights and benefits of this Stipulation, including, without limitation, the Releases provided for herein. In addition, and notwithstanding the foregoing, Wachovia Releasees also do not include any of the KPMG Releasees.

(rrr) “Wachovia Settlement” means the settlement between Lead Bond/Notes Plaintiffs and the Wachovia Defendants on the terms and conditions set forth in this Stipulation.

(sss) “Wachovia Settlement Amount” means Five Hundred and Ninety Million Dollars (\$590,000,000) in cash to be paid by or on behalf of the Wachovia Defendants.

(ttt) “Wells Fargo” means Wells Fargo & Company.

## **II. CLASS CERTIFICATION**

2. Solely for purposes of the Settlements and for no other purpose, each of the Settling Parties stipulates and agrees to: (a) certification of the Action as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement Class; (b) certification of Lead Bond/Notes Plaintiffs and, if requested by Lead Bond/Notes Plaintiffs, one or more of the other Bond/Notes Plaintiffs as class representatives on behalf of the Settlement Class; and (c) appointment of Lead Bond/Notes Counsel as co-lead counsel for the Settlement Class pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

## **III. PRELIMINARY APPROVAL OF SETTLEMENTS**

3. Lead Bond/Notes Plaintiffs will move for preliminary approval of the Settlements and certification of the Settlement Class for settlement purposes only, which motion shall be unopposed by the Settling Defendants. Concurrently with the motion for preliminary Court approval, Lead Bond/Notes Plaintiffs shall apply to the Court for, and the Settling Defendants shall agree to, entry of the Preliminary Approval Order, substantially in the form attached hereto as Exhibit A.

## **IV. RELEASE OF CLAIMS**

4. The obligations incurred pursuant to this Stipulation shall be in full and final disposition of the Action as against the Released Defendant Persons and shall fully, finally and forever compromise, settle, release, resolve, relinquish, waive, discharge and dismiss, on the merits and with prejudice, the Action and any and all Released Claims (a) against the Wachovia Releasees and the Bond/Notes Plaintiff-Related Releasees in the event the Wachovia Settlement is approved, and (b) against the KPMG Releasees and the Bond/Notes Plaintiff-Related Releasees in the event the KPMG Settlement is approved. This Stipulation does not release any claims of Lead Bond/Notes Plaintiffs and the other members of the Settlement Class against any

Non-Settling Defendant(s) or the claims of any Non-Settling Defendant(s) against the Bond/Notes Plaintiff-Related Releasees.

5. Pursuant to the Judgment, without further action by anyone, and subject to ¶ 9 below, upon the Effective Date as to the Wachovia Settlement, Lead Bond/Notes Plaintiffs, Additional Bond/Notes Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, their heirs, executors, administrators, predecessors, successors, affiliates and assigns, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed each and every Released Bond/Notes Claim against the Wachovia Defendants and all other Wachovia Releasees (other than any Underwriter Defendant who does not provide to Lead Bond/Notes Counsel a signed Underwriter Defendant Release by the date that is five business days prior to the date of the Settlement Hearing), and shall forever be enjoined from prosecuting any or all of the Released Bond/Notes Claims against any Wachovia Releasees (other than any Underwriter Defendant who does not provide to Lead Bond/Notes Counsel a signed Underwriter Defendant Release by the date that is five business days prior to the date of the Settlement Hearing). This release shall not apply to any Person who validly opts-out of the Settlement Class and nothing herein shall preclude any Person from opting out of the Settlement Class.

6. Pursuant to the Judgment, without further action by anyone, and subject to ¶ 9 below, upon the Effective Date as to the Wachovia Settlement, each of the Wachovia Defendants and each of the other Wachovia Releasees (other than any Underwriter Defendant who does not provide to Lead Bond/Notes Counsel a signed Underwriter Defendant Release by the date that is five business days prior to the date of the Settlement Hearing), on behalf of themselves, their heirs, executors, administrators, predecessors, successors, affiliates and assigns, shall be deemed

to have, and by operation of law and of the Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed each and every of the Released Wachovia Defendant Persons' Claims against all of the Bond/Notes Plaintiff-Related Releasees and shall forever be enjoined from prosecuting any or all of the Released Wachovia Defendant Persons' Claims against any of the Bond/Notes Plaintiff-Related Releasees. This release shall not apply to any Person who validly opts-out of the Settlement Class and nothing herein shall preclude any Person from opting out of the Settlement Class.

7. Pursuant to the Judgment, without further action by anyone, and subject to ¶ 9 below, upon the Effective Date as to the KPMG Settlement, Lead Bond/Notes Plaintiffs, Additional Bond/Notes Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, their heirs, executors, administrators, predecessors, successors, affiliates and assigns, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed each and every Released Bond/Notes Claim against KPMG and all other KPMG Releasees, and shall forever be enjoined from prosecuting any or all of the Released Bond/Notes Claims against any KPMG Releasees. This release shall not apply to any Person who validly opts-out of the Settlement Class and nothing herein shall preclude any Person from opting out of the Settlement Class.

8. Pursuant to the Judgment, without further action by anyone, and subject to ¶ 9 below, upon the Effective Date as to the KPMG Settlement, KPMG and each of the other KPMG Releasees, on behalf of themselves, their heirs, executors, administrators, predecessors, successors, affiliates and assigns, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and forever compromised, settled, released, resolved,

relinquished, waived, discharged and dismissed each and every of the Released KPMG Defendant Persons' Claims against all of the Bond/Notes Plaintiff-Related Releasees and shall forever be enjoined from prosecuting any or all of the Released KPMG Defendant Persons' Claims against any of the Bond/Notes Plaintiff-Related Releasees. This release shall not apply to any Person who validly opts-out of the Settlement Class and nothing herein shall preclude any Person from opting out of the Settlement Class.

9. Notwithstanding ¶¶ 5-8 above, nothing in the Judgment shall bar any action by any of the Settling Parties to enforce or effectuate the terms of this Stipulation or the Judgment.

10. The releases and waivers contained in this section were separately bargained for and are essential elements of each Settlement as embodied in this Stipulation.

11. The Settling Parties will seek to obtain from the Court a Judgment as further described in ¶ 34 below, to be entered simultaneously with or promptly after approval of the Settlements as embodied in this Stipulation. In the event that the Court should approve only one Settlement but not the other, the Settling Parties shall cooperate in seeking prompt entry of a judgment under Rule 54(b) that is substantially in the form of the Judgment as further described in ¶ 34 below with respect to the parties to the Settlement that the Court does approve.

#### **V. THE SETTLEMENT CONSIDERATION**

12. (a) In consideration of the full and complete settlement of the Released Bond/Notes Claims against the Wachovia Defendants and the other Wachovia Releasees, the Wachovia Defendants are jointly and severally obligated to pay or cause to be paid the Wachovia Settlement Amount into the Escrow Account no later than ten (10) business days after the Court enters an order preliminarily approving the Wachovia Settlement, and (b) in consideration of the full and complete settlement of the Released Bond/Notes Claims against KPMG and the other

KPMG Releasees, KPMG is obligated to pay or cause to be paid the KPMG Settlement Amount into the Escrow Account no later than ten (10) business days after the Court enters an order preliminarily approving the KPMG Settlement.

**VI. USE OF SETTLEMENT FUND**

13. The Settlement Fund shall be used to pay: (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Court; and (d) any attorneys' fees awarded by the Court. The balance remaining in the Settlement Fund, that is, the Net Settlement Fund, shall be distributed to Authorized Claimants as provided in ¶¶ 23-33 below. In no event shall the Settling Defendants or any other Released Defendant Person bear any further or additional responsibility for any such costs or expenses beyond the Settling Defendants' payments of their respective contributions to the Total Settlement Amount.

14. Except as provided herein or pursuant to orders of the Court, the Net Settlement Fund shall remain in the Escrow Account prior to the Effective Date. All funds held by the Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned pursuant to the terms of this Stipulation and/or further order of the Court. The Escrow Agent shall invest any funds in the Escrow Account in United States Treasury Bills (or a mutual fund invested solely in such instruments) and shall collect and reinvest all interest accrued thereon, except that any residual cash balances of less than \$250,000.00 may be invested in money market mutual funds comprised exclusively of investments secured by the full faith and credit of the United States. In the event that the yield on United States Treasury Bills is negative, in lieu of purchasing such Treasury Bills, all or any portion of the funds held by the Escrow Agent may be deposited in a non-interest bearing account that is fully insured by the FDIC.

15. The Settling Parties agree that the Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1 and that Lead Bond/Notes Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be solely responsible for filing or causing to be filed all informational and other tax returns as may be necessary or appropriate (including, without limitation, the returns described in Treasury Regulation § 1.468B-2(k)) for the Settlement Fund. Such returns shall be consistent with this paragraph and in all events shall reflect that all taxes on the income earned on the Settlement Fund shall be paid out of the Settlement Fund as provided below. Lead Bond/Notes Counsel shall also be responsible for causing payment to be made from the Settlement Fund of any Taxes (including any interest or penalties) owed with respect to the Settlement Fund. The Released Defendant Persons shall not have any liability or responsibility for any such Taxes (including any interest or penalties). Upon written request, Settling Defendants will provide to Lead Bond/Notes Counsel the statement described in Treasury Regulation § 1.468B-3(e). Lead Bond/Notes Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall timely make such elections as are necessary or advisable to carry out this paragraph, including, as necessary, making a “relation back election,” as described in Treasury Regulation § 1.468B-1(j), to cause the Qualified Settlement Fund to come into existence at the earliest allowable date, and shall take or cause to be taken all actions as may be necessary or appropriate in connection therewith.

16. All Taxes (including any interest or penalties) shall be paid out of the Settlement Fund, and shall be timely paid by the Escrow Agent pursuant to the disbursement instructions to be set forth in the Escrow Agreement, and without prior order of the Court. Any tax returns prepared for the Settlement Fund (as well as the election set forth therein) shall be consistent

with the previous paragraph and in all events shall reflect that all Taxes (including any interest or penalties) on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided herein. The Released Defendant Persons shall have no responsibility or liability for the acts or omissions of Lead Bond/Notes Counsel or their agents, as described herein.

17. Neither the Wachovia Settlement nor the KPMG Settlement is a claims-made settlement. Upon the occurrence of the Effective Date, neither the Settling Defendants, their Insurers, nor any other Person who or which paid any portion of the Total Settlement Amount on their behalves, shall have any right to the return of the Settlement Fund or any portion thereof irrespective of any reason, including without limitation, the number of Proofs of Claim filed, the collective amount of Recognized Losses of Authorized Claimants, the percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the Net Settlement Fund.

18. The Claims Administrator shall discharge its duties under Lead Bond/Notes Counsel's supervision and subject to the jurisdiction of the Court. Except as otherwise provided herein, the Released Defendant Persons shall have no responsibility whatsoever for the administration of either the Wachovia Settlement or the KPMG Settlement, and shall have no liability whatsoever to any Person, including, but not limited to, the Settlement Class Members, in connection with any such administration. Lead Bond/Notes Counsel shall cause the Claims Administrator to mail the Notice and Proof of Claim to those members of the Settlement Class at the address of each such Person as set forth in the records of Wachovia or its transfer agent(s), or who otherwise may be identified through further reasonable effort. Lead Bond/Notes Counsel will cause to be published the Summary Notice pursuant to the terms of the Preliminary Approval Order or whatever other form or manner might be ordered by the Court. For the purpose of identifying and providing notice to the Settlement Class, within seven (7) business

days of the date of entry of the Preliminary Approval Order, Wachovia shall provide or cause to be provided to the Claims Administrator (at no cost to the Settlement Fund, Bond/Notes Plaintiffs, Bond/Notes Plaintiffs' Counsel or the Claims Administrator) its security holder list (consisting of security holder names and addresses), in electronic form.

19. Lead Bond/Notes Counsel may pay from the Settlement Fund, without further approval from the Settling Defendants or further order of the Court, all Notice and Administration Costs actually incurred. Such costs and expenses shall include, without limitation, the actual costs of publication, printing and mailing the Notice, reimbursements to nominee owners for forwarding the Notice to their beneficial owners, the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing notice and processing the submitted claims, and the fees, if any, of the Escrow Agent. In the event that either or both of the Settlements are terminated pursuant to the terms of this Stipulation (including the Supplemental Agreements), all Notice and Administration Costs paid or incurred, including any related fees, shall not be returned or repaid to the Settling Defendants, their Insurers, or to any other Person who or which paid any portion of the Total Settlement Amount on their behalves.

#### **VII. ATTORNEYS' FEES AND LITIGATION EXPENSES**

20. Lead Bond/Notes Counsel will apply to the Court for a collective award of attorneys' fees to Bond/Notes Plaintiffs' Counsel to be paid from (and out of) the Settlement Fund. Lead Bond/Notes Counsel also will apply to the Court for reimbursement of Litigation Expenses to be paid from (and out of) the Settlement Fund. Lead Bond/Notes Counsel's application for an award of attorneys' fees and/or Litigation Expenses is not the subject of any agreement between Settling Defendants and Lead Bond/Notes Plaintiffs other than what is set forth in this Stipulation.

21. Any attorneys' fees and Litigation Expenses that are awarded by the Court shall be paid to Lead Bond/Notes Counsel immediately upon award, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on either or both of the Settlements or any part thereof, subject to Lead Bond/Notes Counsel's obligation to make appropriate refunds or repayments to the Settlement Fund, plus accrued interest at the same net rate as is earned by the Settlement Fund, if either or both of the Settlements is terminated pursuant to the terms of this Stipulation or if, as a result of any appeal or further proceedings on remand, or successful collateral attack, the award of attorneys' fees and/or Litigation Expenses is reduced or reversed. Lead Bond/Notes Counsel shall make the appropriate refund or repayment in full no later than thirty (30) days after receiving from applicable Settling Defendants' Counsel or from a court of appropriate jurisdiction notice of the termination of the relevant Settlement(s) or notice of any reduction of the award of attorneys' fees and/or Litigation Expenses. An award of attorneys' fees and/or Litigation Expenses is not a necessary term of this Stipulation and is not a condition of either Settlement embodied herein. Neither Lead Bond/Notes Plaintiffs nor Lead Bond/Notes Counsel may cancel or terminate either the Wachovia Settlement or the KPMG Settlement (or the Stipulation as to either the Wachovia Defendants or KPMG) based on this Court's or any appellate court's ruling with respect to attorneys' fees and/or Litigation Expenses.

22. Lead Bond/Notes Counsel shall allocate the attorneys' fees awarded amongst Bond/Notes Plaintiffs' Counsel in a manner which they, in good faith, believes reflects the contributions of such counsel to the institution, prosecution and settlement of the Action.

#### **VIII. CLAIMS ADMINISTRATOR**

23. The Claims Administrator shall administer the process of receiving, reviewing and approving or denying Claims under Lead Bond/Notes Counsel's supervision and subject to

the jurisdiction of the Court. Other than the obligation to assist and cooperate in obtaining Wachovia's transfer records, as provided herein, none of the Settling Defendants, nor any other Released Defendant Persons, shall have any responsibility whatsoever for the administration of the Settlements or the claims process and shall have no liability whatsoever to any Person, including, but not limited to, Lead Bond/Notes Plaintiffs, any other Settlement Class Members or Lead Bond/Notes Counsel in connection with such administration. Settling Defendants' Counsel shall cooperate in the administration of the Settlements to the extent reasonably necessary to effectuate their terms.

24. The Claims Administrator shall receive Claims and determine first, whether the Claim is a valid Claim, in whole or part, and second, each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Loss compared to the total Recognized Losses of all Authorized Claimants (as set forth in the Plan of Allocation set forth in the Notice attached hereto as Exhibit 1 to Exhibit A, or in such other plan of allocation as the Court approves).

25. The Plan of Allocation proposed in the Notice is not a necessary term of either Settlement or of this Stipulation, and it is not a condition of either Settlement or this Stipulation that any particular plan of allocation be approved by the Court. Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel may not cancel or terminate either Settlement (or the Stipulation as to either Settlement) based on this Court's or any appellate court's ruling with respect to the Plan of Allocation or any plan of allocation in this Action. No Settling Defendant, nor any other Released Defendant Person, shall have any involvement in or responsibility or liability whatsoever for the Plan of Allocation or the allocation of the Net Settlement Fund.

26. Any Settlement Class Member who does not submit a valid Claim Form will not be entitled to receive any distribution from the Net Settlement Fund but will otherwise be bound by all of the terms of this Stipulation, including the terms of the Judgment or Alternative Judgment, if applicable, to be entered in the Action and the applicable Releases provided for herein, and will be permanently barred and enjoined from bringing any action, claim, or other proceeding of any kind against the Wachovia Releasees and/or the KPMG Releasees, as applicable, asserting any Released Bond/Notes Claim in the event that the Effective Date occurs with respect to the Wachovia Settlement and/or KPMG Settlements, respectively.

27. Lead Bond/Notes Counsel shall be responsible for supervising the administration of the Settlements and disbursement of the Net Settlement Fund. No Settling Defendant, nor any other Released Defendant Person, shall have any liability, obligation or responsibility whatsoever for the administration of either of the Settlements or disbursement of the Net Settlement Fund. No Settling Defendant, nor any other Released Defendant Person, shall be permitted to review, contest or object to any Claim Form, or any decision of the Claims Administrator or Lead Bond/Notes Counsel with respect to accepting or rejecting any Claim for payment by a Settlement Class Member. Lead Bond/Notes Counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Claim Forms submitted in the interests of achieving substantial justice.

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

(a) Each Settlement Class Member shall be required to submit a Claim Form, substantially in the form attached hereto as Exhibit 2 to Exhibit A, supported by such documents

as are designated therein, including proof of the Claimant's loss, or such other documents or proof as the Claims Administrator or Lead Bond/Notes Counsel, in their discretion, may deem acceptable;

(b) All Claim Forms must be submitted by the date set by the Court in the Preliminary Approval Order and specified in the Notice. Any Settlement Class Member who fails to submit a Claim Form by such date shall be forever barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Stipulation, but shall in all other respects be bound by all of the terms of this Stipulation and the Settlements, including the terms of the Judgment or Alternative Judgment, if applicable, and the Releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind against any Released Defendant Person concerning any Released Bond/Notes Claim. Provided that it is mailed by the claim-filing deadline, a Claim Form shall be deemed to be submitted when postmarked, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Claim Form shall be deemed to have been submitted on the date when actually received by the Claims Administrator;

(c) Each Claim Form shall be submitted to and reviewed by the Claims Administrator, under the supervision of Lead Bond/Notes Counsel, who shall determine in accordance with this Stipulation and the plan of allocation the extent, if any, to which each Claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below as necessary;

(d) Claim Forms that do not meet the submission requirements may be rejected. Prior to rejecting a Claim in whole or in part, the Claims Administrator shall communicate with the Claimant in writing, to give the Claimant the chance to remedy any

curable deficiencies in the Claim Form submitted. The Claims Administrator, under supervision of Lead Bond/Notes Counsel, shall notify, in a timely fashion and in writing, all Claimants whose Claim the Claims Administrator proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the Claimant whose Claim is to be rejected has the right to a review by the Court if the Claimant so desires and complies with the requirements of subparagraph (e) below;

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

(f) Notwithstanding any of the foregoing, Lead Bond/Notes Counsel may accept late submitted Claims for processing so long as the distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed thereby.

29. 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 Settlement Class Member and the validity and amount of the Claimant's Claim. No discovery shall be allowed on the merits of this Action or of either of the Settlements in connection with the processing of Claim Forms.

30. Payment pursuant to the Stipulation and the plan of allocation shall be final and conclusive against all Settlement Class Members. All Settlement Class Members whose Claims are not approved for payment shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Wachovia Settlement and the KPMG Settlement (or the relevant Settlement, if only one such Settlement is approved) as embodied in this Stipulation, including the terms of the Judgment or Alternative Judgment, if applicable, to be entered in this Action and the applicable Releases provided for therein, and will be permanently barred and enjoined from bringing any action against any and all Wachovia Releasees concerning any and all of the Released Bond/Notes Claims if the Wachovia Settlement is approved, and will be permanently barred and enjoined from bringing any action against any and all KPMG Releasees concerning any and all of the Released Bond/Notes Claims if the KPMG Settlement is approved.

31. No Person shall have any claim against Bond/Notes Plaintiffs, Bond/Notes Plaintiffs' Counsel, the Claims Administrator or any other agent designated by Lead Bond/Notes Counsel, or the Released Defendant Persons and/or their respective counsel, arising from distributions made substantially in accordance with the Stipulation, the plan of allocation, or any order of the Court. Bond/Notes Plaintiffs and the Settling Defendants, and their respective counsel, and Lead Bond/Notes Plaintiffs' damages expert and all other Released Defendant Persons shall have no liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund, the Plan of Allocation, or the determination, administration, calculation, or payment of any claim or nonperformance of the Claims Administrator, the payment or withholding of taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

32. All proceedings with respect to the administration, processing and determination of Claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of Claims, shall be subject to the jurisdiction of the Court.

33. The Net Settlement Fund shall be distributed to Authorized Claimants only after the Effective Date.

### **IX. TERMS OF THE JUDGMENT**

34. If both the Wachovia Settlement and the KPMG Settlement embodied in this Stipulation are approved by the Court, Lead Bond/Notes Counsel and Settling Defendants' Counsel shall request that the Court enter a Judgment, substantially in the form annexed hereto as Exhibit B which shall, among other things, contain a provision providing for a Complete Bar Order in the Action, as follows in subparagraphs (a) – (e):

(a) Any and all Persons are permanently barred, enjoined and restrained, to the fullest extent permitted by applicable law, from commencing, prosecuting or asserting any claim for indemnity or contribution against any Released Defendant Person (or any other claim against any Released Defendant Person where the alleged injury to such Person is that Person's actual or threatened liability to the Settlement Class or a Settlement Class Member in the Action), based upon, arising out of or related to the Released Bond/Notes Claims, whether arising under state, federal or foreign law, as claims, cross-claims, counterclaims, or third-party claims, whether asserted in the Action, in this Court, in any federal or state court, or in any other court, arbitration proceeding, administrative agency, or other forum in the United States or elsewhere. However, with respect to any judgment that the Settlement Class or a Settlement Class Member may obtain against such Person based upon, arising out of or relating to any Released Bond/Notes Claim belonging to the

Settlement Class or a Settlement Class Member, that Person shall be entitled to a credit of the greater of (i) an amount that corresponds to the percentage of responsibility of the Settling Defendants for the loss to the Settlement Class or the Settlement Class Member or (ii) the amount paid by or on behalf of the Settling Defendants to the Settlement Class or the Settlement Class Member for common damages.

(b) Except as provided in ¶ 36 below, each and every Released Defendant Person is hereby permanently barred, enjoined and restrained, to the fullest extent permitted by applicable law, from commencing, prosecuting or asserting any claim for indemnity or contribution against any Person other than a Person whose liability to the Settlement Class has been extinguished by the Settlement (or any other claim against any such Person where the alleged injury to such Released Defendant Person is that Released Defendant Person's actual or threatened liability to the Settlement Class or a Settlement Class Member in the Action), based upon, arising out of or related to the Released Bond/Notes Claims, whether arising under state, federal, or foreign law, as claims, cross claims, counterclaims, or third-party claims, whether asserted in the Action, in this Court, in any other federal or state court, or in any other court, arbitration proceeding, administrative agency, or other forum in the United States or elsewhere.

(c) Nothing in this Complete Bar Order shall prevent a putative Settlement Member who validly requested an exclusion from the Settlement Class from pursuing any Released Bond/Notes Claim against any Released Defendant Person. If any putative Settlement Class Member who validly requests exclusion from the Settlement Class pursues any such Released Bond/Notes Claim against any Released Defendant Person, nothing in this Complete Bar Order or in this Stipulation shall operate to preclude such Released

Defendant Person from asserting any claim of any kind against such putative Settlement Class Member (or seeking contribution or indemnity from any Person, including any co-defendant in the Action, in respect of the claim of such putative Settlement Class Member who validly requests exclusion from the Settlement Class).

(d) Notwithstanding anything to the contrary in this Complete Bar Order, in the event that any Person (for purposes of this provision, a “petitioner”) commences against any of the Released Defendant Persons any action asserting a claim that is based upon, arises out of, or relates to any Released Bond/Notes Claim belonging to the Settlement Class or a Settlement Class Member and such claim is not barred by a court pursuant to ¶ 34 or is not otherwise barred by the Complete Bar Order, the Complete Bar Order shall not bar claims by that Released Defendant Person against (i) such petitioner; (ii) any Person who is or was controlled by, controlling or under common control with the petitioner, or whose assets or estate are or were controlled, represented or administered by the petitioner, or as to whose claims the petitioner has succeeded; and (iii) any Person that participated with any of the Persons described in items (i) and (ii) of this provision in connection with the conduct, transactions or occurrences that are the subject of the claim brought against the Released Defendant Person(s), or any Person that was involved in the issues and damages alleged by the petitioner. Nothing in this paragraph shall be deemed to create a claim or cause of action against a petitioner or any other Person described in this paragraph.

(e) Nothing in this Complete Bar Order alters the rights between and among the Wachovia Defendants and the Underwriter Defendants under the terms of any written agreements governing the underwritings and the underwriting syndicates involved in the Action, as to which claims are not barred, released or discharged. Under this Complete Bar

Order, barred claims do not include any claims for contribution or indemnity arising under the underwriting agreements relating to the offerings of Bond Class Securities or any other claims for contribution or indemnity between and among the Underwriter Defendants and Wachovia.

If any provision of this Complete Bar Order is subsequently held to be unenforceable or modified, the parties shall propose to the Court alternative terms so as to afford all of the Released Defendant Persons the fullest protection permitted by law and consistent with the Court's view.

35. The Settling Parties agree that the terms of this Stipulation shall be satisfied if either (a) the Complete Bar Order set forth in ¶ 34 above, or (b) a bar order to the fullest extent allowable under the Private Securities Litigation Reform Act of 1995, is included in the Judgment (or in the Alternative Judgment, if applicable) that is entered by the Court. Should the Court enter a bar order other than that referenced in (a) or (b) of the preceding sentence (or if a bar order referenced in (a) or (b) of the preceding sentence is entered but its terms are modified on appeal, or is vacated on appeal and not subsequently reinstated), and if a dispute arises as to whether the failure to obtain entry of a bar order referenced in (a) or (b) of the preceding sentence provides a basis for the Wachovia Defendants or KPMG to terminate their respective Settlements, then the relevant parties shall submit the dispute to Judge Weinstein (ret.) to determine in accordance with the terms of the relevant Supplemental Agreement (as defined in ¶ 46 below).

36. Notwithstanding anything in ¶ 34 above, nothing in this Stipulation or in ¶ 34 above shall operate to (a) preclude the Settling Defendants from asserting any claims against their own insurers; or (b) preclude the Settling Defendants or any other Person from asserting

any claims, including claims for contribution or indemnity, against any Person, including any co-defendants in this Action, in connection with or arising out of the following actions: (i) *In re Wachovia Equity Securities Litigation*, No. 08 Civ. 6171 (S.D.N.Y.) (RJS); (ii) *Stichting Pensioenfond ABP, et al. v. Wachovia Corporation, et al.*, No. 09 Civ. 04473 (S.D.N.Y.) (RJS); and (iii) *FC Holdings AB, et al. v. Wells Fargo & Co., et al.*, No. 09 Civ. 5466 (S.D.N.Y.) (RJS).

37. In the event that the Court approves only one of the Settlements, then the provisions under the heading “Conditions of Each Settlement; Effect of Disapproval, Cancellation or Termination,” below, shall apply.

#### **X. DUE DILIGENCE**

38. Each Settlement is subject to the completion of reasonable due diligence by Lead Bond/Notes Plaintiffs with respect to that Settlement. Among other things, the due diligence (which has been and shall continue to be subject to the terms of the Confidentiality Stipulation and Order entered by the Court on May 4, 2011 and the Supplemental Stipulation and Order entered by the Court on July 8, 2011) shall include the completion of the production of documents by the Settling Defendants and the completion of interviews of certain of their personnel regarding the allegations and claims asserted in the Amended Bond/Notes Complaint. The due diligence has been and shall continue to be for the purpose of assessing the reasonableness and adequacy of each Settlement, the scope and timing of which (to the extent not already agreed) shall be reasonable and mutually agreed upon by the Settling Parties. Any disputes over the scope and timing of said due diligence shall be resolved by Judge Daniel Weinstein (ret.), who shall have full authority to make binding determinations on such matters. Lead Bond/Notes Plaintiffs, by and through Lead Bond/Notes Counsel, shall have the right to withdraw from either of the proposed Settlements at any time prior to filing their motion for final approval of the proposed Settlements if, in their good faith discretion, they determine that

information produced during the due diligence renders either proposed Settlement unfair, unreasonable and inadequate, provided, however, that any issue warranting withdrawal from the proposed Settlement as to one of the Settling Defendants shall not, in and of itself, warrant withdrawal from the proposed Settlement as to the other Settling Defendant. In the event of such withdrawal, Lead Bond/Notes Counsel shall provide written notice to the applicable Settling Defendants in advance of the date on which their motion for final approval of the Settlements is due to be filed and the termination provisions set forth below shall apply, unless otherwise agreed to by the applicable Settling Parties.

**XI. CONDITIONS OF EACH SETTLEMENT; EFFECT OF DISAPPROVAL,  
CANCELLATION OR TERMINATION**

39. The Wachovia Settlement (as set forth in this Stipulation) and the KPMG Settlement (as set forth in this Stipulation) were negotiated separately and independently from each other, and either Settlement shall proceed separately if one settlement is terminated for reasons that do not affect the other settlement as set forth herein. Notwithstanding the foregoing, it is the mutual intent of the Settling Parties that each proposed Settlement be considered and administered together for notice, opt-out and preliminary and final approval purposes.

40. If both the Wachovia Settlement and the KPMG Settlement proceed, the Effective Date of this Stipulation as to both Settlements shall be deemed to occur on the occurrence or waiver of all of the following events:

(a) the Wachovia Defendants and KPMG have fully paid, or caused to be fully paid, their respective contributions to the Total Settlement Amount as required above (however, non-payment by either the Wachovia Defendants or KPMG shall only cause the Effective Date as to the applicable Settlement not to occur, and the provisions of ¶¶ 42 or 43 shall be triggered as applicable);

(b) the Court has entered the Preliminary Approval Order, substantially in the form set forth in Exhibit A annexed hereto, as required by ¶ 3 above;

(c) the Wachovia Defendants have not exercised their option to terminate their participation in this Stipulation pursuant to the provisions of this Stipulation (including the Supplemental Agreement);

(d) KPMG has not exercised its option to terminate its participation in this Stipulation pursuant to the provisions of this Stipulation (including the Supplemental Agreement);

(e) Lead Bond/Notes Plaintiffs have not exercised their option to terminate their participation in this Stipulation pursuant to the provisions of this Stipulation;

(f) the Court has approved both the Wachovia and the KPMG Settlements as described herein, following notice to the Settlement Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure, and entered the Judgment, or a judgment substantially in the form and substance of Exhibit B hereto; and

(g) the Judgment has become Final, as defined above.

If all of the conditions to the Effective Date set forth above do not occur or are not waived, the Effective Date may occur with respect to either the Wachovia Settlement or the KPMG Settlement as set forth in ¶ 42(h) or ¶ 43(h) below.

41. Upon the occurrence of all of the events referenced in ¶ 40 above, any and all remaining interest or right of the Settling Defendants in or to the Settlement Fund, if any, shall be absolutely and forever extinguished and the releases herein shall be effective.

42. If (i) the Wachovia Defendants fail to pay or cause to be paid the Wachovia Settlement Amount in accordance with the provisions of ¶ 12 above or exercise their right to

terminate their participation in this Stipulation and Settlement as provided in this Stipulation; (ii) Lead Bond/Notes Plaintiffs exercise their right to terminate the Wachovia Settlement as provided in this Stipulation; (iii) the Court does not approve the Wachovia Settlement but does approve the KPMG Settlement; or (iv) the Effective Date as to the Wachovia Settlement otherwise fails to occur, then:

(a) The KPMG Settlement shall proceed as set forth in this Stipulation without further notice to the Settlement Class and the form of the Judgment shall be modified accordingly.

(b) The release of the Released Bond/Notes Claims shall be applicable and effective only with respect to KPMG and the other KPMG Releasees, and shall not be applicable or effective with respect to the Wachovia Defendants or the other Wachovia Releasees, and the release of the Released KPMG Defendant Persons' Claims shall remain applicable and effective with respect to the Bond/Notes Plaintiff-Related Releasees.

(c) Bond/Notes Plaintiffs, the Wachovia Defendants and the Underwriter Defendants shall be restored to their respective positions in the Action immediately prior to April 28, 2011.

(d) As used throughout this Stipulation (except with respect to ¶ 48 below), the defined terms "Settling Defendants" and "Settling Parties" shall not include the Wachovia Defendants; the defined terms "Released Defendant Persons" and "Releasee(s)" shall not include the Wachovia Releasees; the defined term "Released Defendant Persons' Claims" shall not include the Released Wachovia Defendant Persons' Claims; the defined term "Total Settlement Amount" shall mean the KPMG Settlement Amount only; and the defined term "Non-Settling Defendants" shall include all of the Wachovia Defendants and the Underwriter Defendants.

(e) The terms and provisions of this Stipulation, with the exception of ¶¶ 19, 42(a)-(i) and 48 herein, shall have no further force and effect with respect to the Wachovia Defendants and the other Wachovia Releasees (including the Underwriter Defendants) and shall not be used in the Action or in any other proceeding for any purpose with respect to the Wachovia Defendants and the other Wachovia Releasees (including the Underwriter Defendants).

(f) Any order entered by the Court in accordance with the terms of this Stipulation, including but not limited to the certification of the Settlement Class, shall be treated as vacated, *nunc pro tunc*, with respect to the Wachovia Defendants and the Underwriter Defendants only. In such case, neither this Stipulation nor any order of this Court certifying the Settlement Class will be binding on the Wachovia Defendants or the Underwriter Defendants, and those defendants may oppose and assert all objections to certification of any class or subclass sought by any party to the Action. In such an event, the Wachovia Defendants may not, however, object to the definition of the Settlement Class in the context of the KPMG Settlement (but the lack of objection in such context shall not be deemed or construed to be a waiver of any of their rights to object to class certification with respect to the non-settled portion of the Action).

(g) Unless otherwise agreed in writing between Lead Bond/Notes Counsel and counsel for the Wachovia Defendants, within fourteen (14) business days after joint written notification of the termination of the Wachovia Settlement is sent by counsel for the Wachovia Defendants and Lead Bond/Notes Counsel to the Escrow Agent, any payments to the Settlement Fund made by or on behalf of the Wachovia Defendants (including accrued interest thereon, net of applicable Taxes and less the Wachovia Defendants' portion of any Notice and

Administration Costs actually incurred and paid or payable) shall be refunded to the Wachovia Defendants and/or the insurers who made the payments, as applicable. In such event, the refunds to the Wachovia Defendants and each insurer shall include the *pro rata* share of interest accrued (net of applicable Taxes and less the Wachovia Defendants' portion of any Notice and Administration Costs actually incurred and paid or payable) on their respective payments to the Settlement Fund in accordance with instructions to be provided by the Wachovia Defendants' counsel.

(h) In this scenario, the Effective Date of the KPMG Settlement and of this Stipulation as to the KPMG Settlement shall be conditioned on the occurrence or waiver of all of the following events: (a) KPMG shall have fully paid, or caused to be fully paid, its contribution to the Settlement Fund as required at ¶ 12 above; (b) KPMG has not exercised its option to terminate the KPMG Settlement pursuant to the terms of this Stipulation; (c) Lead Bond/Notes Plaintiffs have not exercised their option to terminate their participation in this Stipulation pursuant to the terms of this Stipulation; (d) the Court has approved the KPMG Settlement as described herein, following notice to the Settlement Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure, and entered a Judgment in the form and substance acceptable to KPMG and Lead Bond/Notes Plaintiffs approving only the KPMG Settlement, dismissing only the claims asserted against KPMG, and releasing the Released Bond/Notes Claims against only KPMG and the other KPMG Releasees; and (e) the Judgment or Alternative Judgment, if applicable, has become Final, as defined above.

(i) Upon the occurrence of all of the events referenced in ¶ 42(h) above, any and all remaining interest or right of KPMG in or to the Settlement Fund, if any, shall be

absolutely and forever extinguished and the releases of KPMG and the other KPMG Releasees set forth herein shall be effective.

(j) Notwithstanding anything to the contrary set forth above, nothing herein shall be construed to limit or prejudice in any way any of Lead Bond/Notes Plaintiffs' rights to seek enforcement of the terms of the Wachovia Settlement, including their rights to enforce the terms of the Wachovia Settlement in the event that the Wachovia Defendants fail to pay, or to cause to be paid, the Wachovia Settlement Amount, including, specifically, rights to sue for breach of contract and for specific performance and/or to seek appropriate legal and/or equitable relief from the Court to enforce the Wachovia Settlement.

43. If (i) KPMG fails to pay or cause to be paid the KPMG Settlement Amount in accordance with the provisions of ¶ 12 above or exercises its right to terminate its participation in this Stipulation and Settlement as provided in this Stipulation; (ii) Lead Bond/Notes Plaintiffs exercise their right to terminate the KPMG Settlement as provided in this Stipulation; (iii) the Court does not approve the KPMG Settlement but does approve the Wachovia Settlement; or (iv) the Effective Date as to the KPMG Settlement otherwise fails to occur, then:

(a) The Wachovia Settlement shall proceed as set forth in this Stipulation without further notice to the Settlement Class and the form of the Judgment shall be modified accordingly.

(b) The Released Bond/Notes Claims shall be applicable only with respect to the Wachovia Defendants and the other Wachovia Releasees, and shall not be applicable with respect to KPMG or the other KPMG Releasees, and the Released Wachovia Defendant Persons' Claims shall remain applicable with respect to the Bond/Notes Plaintiff-Related Releasees.

(c) Bond/Notes Plaintiffs and KPMG shall be restored to their respective positions in the Action immediately prior to June 23, 2011.

(d) As used throughout this Stipulation (except with respect to ¶ 48 below), the defined terms “Settling Defendants” and “Settling Parties” shall not include KPMG; the defined terms “Released Defendant Persons” and “Releasee(s)” shall not include the KPMG Releasees; the defined term “Released Defendant Persons’ Claims” shall not include the Released KPMG Defendant Persons’ Claims; the defined term “Total Settlement Amount” shall mean the Wachovia Settlement Amount; and the defined term “Non-Settling Defendants” shall include KPMG.

(e) The terms and provisions of this Stipulation, with the exception of ¶¶ 19, 43(a)-(i) and ¶ 48 herein, shall have no further force and effect with respect to KPMG and the other KPMG Releasees and shall not be used in the Action or in any other proceeding for any purpose with respect to KPMG and the other KPMG Releasees.

(f) Any order entered by the Court in accordance with the terms of this Stipulation, including but not limited to the certification of the Settlement Class, shall be treated as vacated, *nunc pro tunc*, with respect to KPMG. In such case, neither this Stipulation nor any order of this Court certifying the Settlement Class will be binding on KPMG, and KPMG may oppose and assert all objections to certification of any class or subclass sought by any party to the Action. In such an event, KPMG may not, however, object to the definition of the Settlement Class in the context of the Wachovia Settlement (but the lack of objection in such context shall not be deemed or construed to be a waiver of any of its rights to object to class certification with respect to the non-settled portion of the Action).

(g) Unless otherwise agreed in writing between Lead Bond/Notes Counsel and counsel for KPMG, within fourteen (14) business days after joint written notification of the termination of the KPMG Settlement is sent by counsel for KPMG and Lead Bond/Notes Counsel to the Escrow Agent, any payment to the Settlement Fund made by or on behalf of KPMG (including accrued interest thereon, net of applicable Taxes and less KPMG's portion of any Notice and Administration Costs actually incurred and paid or payable) shall be refunded to KPMG and/or such other Persons who made the payments, as applicable, in accordance with instructions to be provided by KPMG's Counsel.

(h) In this scenario, the Effective Date of this Stipulation and the Wachovia Settlement shall be conditioned on the occurrence or waiver of all of the following events: (a) the Wachovia Defendants shall have fully paid, or caused to be fully paid, their contribution to the Settlement Fund as required at ¶ 12 above; (b) the Wachovia Defendants have not exercised their option to terminate their participation in the Wachovia Settlement pursuant to the terms of this Stipulation; (c) Lead Bond/Notes Plaintiffs have not exercised their option to terminate their participation in the Wachovia Settlement pursuant to the terms of this Stipulation; (d) the Court has approved the Wachovia Settlement as described herein, following notice to the Settlement Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure, and entered a Judgment in form and substance acceptable to the Wachovia Defendants and Lead Bond/Notes Plaintiffs approving only the Wachovia Settlement, dismissing only the claims asserted against the Wachovia Defendants and releasing the Released Bond/Notes Claims only against the Wachovia Defendants and the other Wachovia Releasees; and (e) the Judgment or Alternative Judgment, if applicable, has become Final, as defined above.

(i) Upon the occurrence of all of the events referenced in ¶ 43(h) above, any and all remaining interest or right of the Wachovia Defendants or their Insurers in or to the Settlement Fund, if any, shall be absolutely and forever extinguished and the releases of the Wachovia Defendants and the other Wachovia Releasees set forth herein shall be effective.

(j) Notwithstanding anything to the contrary set forth above, nothing herein shall be construed to limit or prejudice in any way any of Lead Bond/Notes Plaintiffs' rights to seek enforcement of the terms of the KPMG Settlement, including their rights to enforce the terms of the KPMG Settlement in the event that KPMG fails to pay, or to cause to be paid, the KPMG Settlement Amount, including, specifically, rights to sue for breach of contract and for specific performance and/or to seek appropriate legal and/or equitable relief from the Court to enforce the KPMG Settlement.

44. If (i) both the Wachovia Defendants and KPMG exercise their respective rights to terminate their participation in this Stipulation and their respective Settlements as provided in this Stipulation; (ii) Lead Bond/Notes Plaintiffs exercise their right to terminate their participation in this Stipulation and both the Wachovia Settlement and the KPMG Settlement as provided in this Stipulation; (iii) the Court disapproves both the Wachovia Settlement and the KPMG Settlement; or (iv) the Effective Date as to both Settlements otherwise fails to occur, then:

(a) The Wachovia Settlement and the relevant portions of this Stipulation shall be canceled and terminated except to the extent that Lead Bond/Notes Counsel and counsel for the Wachovia Defendants otherwise mutually agree in writing and the Court allows Lead Bond/Notes Plaintiffs and the Wachovia Defendants to proceed with the Wachovia Settlement; and the KPMG Settlement and the relevant portions of this Stipulation shall be canceled and

terminated except to the extent that Lead Bond/Notes Counsel and counsel for KPMG otherwise mutually agree in writing and the Court allows Lead Bond/Notes Plaintiffs and KPMG to proceed with the KPMG Settlement.

(b) Bond/Notes Plaintiffs, the Wachovia Defendants and the Underwriter Defendants shall be restored to their respective positions in the Action immediately prior to April 28, 2011, and nothing herein shall amend, alter, terminate or change any agreed or negotiated settlement amount, procedure or method for resolving this dispute which existed as to any Wachovia Defendant or Underwriter Defendant as of April 28, 2011; and Bond/Notes Plaintiffs and KPMG shall be restored to their respective positions in the Action immediately prior to June 23, 2011 and nothing herein shall amend, alter, terminate or change any agreed or negotiated settlement amount, procedure or method for resolving this dispute which existed as to KPMG as of June 23, 2011.

(c) The terms and provisions of this Stipulation, with the exception of ¶¶ 19, 42(f), 43(f), 44(a)-(d), and 48 herein, shall have no further force and effect with respect to the Settling Parties and shall not be used in the Action or in any other proceeding for any purpose, and any Judgment or order entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*, except to the extent as may be agreed pursuant to subparagraph (a) above.

(d) Within fourteen (14) business days after joint written notification of termination is sent by counsel for a Settling Defendant and Lead Bond/Notes Counsel to the Escrow Agent pursuant to the terms of the Escrow Agreement, the Settlement Fund (including accrued interest), less expenses and any costs which have either been disbursed, or are determined to be incurred and chargeable to Notice and Administration Costs and less any Taxes

paid or due or owing shall be refunded by the Escrow Agent to the Persons who funded the Settlement Fund in proportion to their funding.

45. It is further stipulated and agreed that (A) the Wachovia Defendants, provided they unanimously agree, and Lead Bond/Notes Plaintiffs, provided they unanimously agree, shall each have the right to terminate the Wachovia Settlement and this Stipulation as to the Wachovia Defendants, and (B) KPMG and the Lead Bond/Notes Plaintiffs, provided they unanimously agree, shall each have the right to terminate the KPMG Settlement and this Stipulation as to KPMG, by providing written notice of their election to do so (“Termination Notice”) to the other parties to this Stipulation within thirty (30) days of: (a) the Court’s declining to enter the Preliminary Approval Order in any material respect as to the relevant Settlement(s); (b) the Court’s refusal to approve the relevant Settlement(s) (or the relevant aspects of this Stipulation) or any material parts thereof; (c) the Court’s declining to enter the Judgment in any material respect as to the relevant Settlement(s); (d) the date upon which the Judgment as to the relevant Settlement(s) is modified or reversed in any material respect by the Court of Appeals or the Supreme Court; or (e) the date upon which an Alternative Judgment as to the relevant Settlement(s) is modified or reversed in any material respect by the Court of Appeals or the Supreme Court. However, any decision with respect to an application for attorneys’ fees or Litigation Expenses, or with respect to any plan of allocation, shall not be considered material to either of the Settlements, shall not affect the finality of any Judgment or Alternative Judgment, and shall not be grounds for termination of either Settlement.

46. In addition to the grounds set forth in ¶ 45 above, (a) the Wachovia Defendants shall have the option to terminate the Wachovia Settlement in the event that Settlement Class Members requesting exclusion from the Settlement Class meet the conditions set forth in their

confidential supplemental agreement with Lead Bond/Notes Plaintiffs (the “Wachovia Supplemental Agreement”), in accordance with the terms of that agreement; and (b) KPMG shall have the option to terminate the KPMG Settlement in the event that Settlement Class Members requesting exclusion from the Settlement Class meet the conditions set forth in their confidential supplemental agreement with Lead Bond/Notes Plaintiffs (the “KPMG Supplemental Agreement”), in accordance with the terms of that agreement. The Wachovia Supplemental Agreement and the KPMG Supplemental Agreement (collectively, the Supplemental Agreements), each of which is being executed concurrently herewith, shall not be filed with the Court and their terms shall not be disclosed in any other manner (other than the statements herein and in the Notice) unless and until the Court otherwise directs or a dispute arises between Lead Bond/Notes Plaintiffs and the applicable Settling Defendants concerning their interpretation or application. If submission of the Supplemental Agreement(s) is required for resolution of a dispute or is otherwise ordered by the Court, the applicable Settling Parties will undertake to have the Supplemental Agreement(s) submitted to the Court *in camera*.

47. The Settling Parties intend and agree that any Settlement Class Members requesting exclusion from the Settlement Class shall be deemed to have opted out of both the Wachovia and KPMG Settlements, whether or not they so specify in their request for exclusion.

## **XII. NO ADMISSION OF WRONGDOING**

48. Neither this Stipulation (whether or not consummated), nor its negotiation, nor and any proceedings taken pursuant to it:

(a) shall be offered against any of the Released Defendant Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Released Defendant Persons with respect to the truth of any fact alleged by Lead Bond/Notes Plaintiffs and/or Additional Bond/Notes Plaintiffs or the validity of any

claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Released Defendant Persons;

(b) shall be offered against any of the Released Defendant Persons 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 any of the Released Defendant Persons, or by the Released Defendant Persons against Lead Bond/Notes Plaintiffs or any other Settlement Class Members as evidence of any infirmity in the claims of Lead Bond/Notes Plaintiffs or the other Settlement Class Members;

(c) shall be offered by Bond/Notes Plaintiffs against any of the Released Defendant Persons, or by the Released Defendant Persons against the Bond/Notes Plaintiffs or any other Settlement Class Members, as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Released Defendant Persons, or against the Bond/Notes Plaintiffs or any other Settlement Class Members in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation; provided, however, that if this Stipulation is approved by the Court, the Settling Defendants, any other Released Defendant Person, Bond/Notes Plaintiffs, the other Settlement Class Members and their respective counsel may refer to it to effectuate the protections from liability granted hereunder or otherwise to enforce the terms of the Settlement;

(d) shall be construed by any of the Settling Parties against any of the Released Defendant Persons, Bond/Notes Plaintiffs or any other Settlement Class Members as an

admission, concession, or presumption that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; and

(e) shall be construed by any of the Settling Parties against Bond/Notes Plaintiffs or any other Settlement Class Members as an admission, concession, or presumption that any of their claims are without merit, that any of the Released Defendant Persons had meritorious affirmative defenses, or that damages recoverable under the Amended Bond/Notes Complaint would not have exceeded the Total Settlement Amount or either of the Settlement Amounts.

49. This Stipulation and the Settlements (or the relevant portions thereof) may be plead as a full and complete defense to any action, suit or other proceeding that may be instituted, prosecuted, or attempted with respect to any of the Released Bond/Notes Claims. The Released Defendant Persons may offer the Stipulation or the Judgment from the Action in any other action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any similar defense or counterclaim.

### **XIII. MISCELLANEOUS PROVISIONS**

50. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein. Notwithstanding the foregoing, in the event that there exists a conflict or inconsistency between the terms of this Stipulation and the terms of any exhibit attached hereto, the terms of the Stipulation shall prevail.

51. Each of the Settling Defendants warrants that, as to the payments made or to be made by or on behalf of him, her or it at the time of entering into this Stipulation and at the time of such payment that he, she or it made or caused or will make or cause to be made pursuant to the terms above, he, she or it was not insolvent, nor will the payment required to be made by or

on behalf of him, her or it render him, her or it insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including but not limited to §§ 101 and 547 thereof. This representation is made by each of the Settling Defendants and not by their counsel.

52. If a case is commenced in respect of any of the Wachovia Defendants, any Insurer, or any other Person contributing funds to the Settlement Fund on behalf of the Wachovia Defendants under Title 11 of the United States Code (the “Bankruptcy Code”), or a trustee, receiver, conservator, or other fiduciary is appointed under any similar law with respect to such Person, and in the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money to the Settlement Fund or any portion thereof by or on behalf of any of the Wachovia Defendants to be a preference, voidable transfer, fraudulent transfer or similar transaction and any portion thereof is required to be returned, and such amount is not promptly deposited to the Settlement Fund by others, then (a) if a case has not been commenced with respect to Wells Fargo under the Bankruptcy Code, and a trustee, receiver, conservator or other fiduciary has not been appointed under any similar law with respect to Wells Fargo, Wells Fargo shall be obligated to promptly repay into the Settlement Fund any portions of the Wachovia Settlement Amount contributed to the Settlement Fund by others that are required to be returned under the circumstances described in this paragraph, or (b) if Lead Bond/Notes Plaintiffs in their discretion determine that Wells Fargo cannot or has not adequately protected the interests of the Settlement Class under subparagraph (a) above, or if a case has been commenced with respect to Wells Fargo under the Bankruptcy Code or a trustee, receiver, conservator or other fiduciary has been appointed under any similar law with respect to Wells Fargo, at the election of Lead Bond/Notes Plaintiffs, (i) the Wachovia Defendants and Lead Bond/Notes Plaintiffs shall jointly move the Court to vacate and set aside the releases given and

the Judgment or Alternative Judgment, if applicable, entered in favor of the Wachovia Defendants and the other Wachovia Releasees pursuant to this Stipulation, which releases and Judgment, or Alternative Judgment, shall be null and void, and Bond/Notes Plaintiffs, the Wachovia Defendants and the Underwriter Defendants shall be restored to their respective positions in the litigation as provided in ¶ 42(c) herein and any cash amounts in the Settlement Fund related to the Wachovia Settlement Amount (less any proportional Taxes paid or due with respect to the Settlement Fund and less any proportional Notice and Administration Costs actually incurred and paid or payable) shall be returned as provided in ¶ 42(g), or (ii) the Wachovia Defendants and Lead Bond/Notes Plaintiffs shall jointly move the Court to vacate and set aside the releases given and the Judgment or Alternative Judgment, if applicable, entered pursuant to this Stipulation in respect of such Wachovia Defendant(s) which is (are) the subject of such order, which releases and Judgment, or Alternative Judgment, shall be null and void as against such Wachovia Defendant(s) and its or their Wachovia Releasees, and Bond/Notes Plaintiffs and such Wachovia Defendant(s) shall be restored to their respective positions in the litigation as provided in ¶ 42(c) herein, but the Settlement and Judgment, or Alternative Judgment, shall remain effective in respect of all other Settling Parties.

53. If a case is commenced in respect of KPMG, any Insurer, or any other Person contributing funds to the Settlement Fund on behalf of KPMG under Title 11 of the Bankruptcy Code, or a trustee, receiver, conservator, or other fiduciary is appointed under any similar law with respect to such Person, and in the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money to the Settlement Fund or any portion thereof by or on behalf of KPMG to be a preference, voidable transfer, fraudulent transfer or similar transaction and any portion thereof is required to be returned, and such amount is not promptly

deposited to the Settlement Fund by others, then, at the election of Lead Bond/Notes Plaintiffs, the Settling Parties shall jointly move the Court to vacate and set aside the releases given and the Judgment or Alternative Judgment, if applicable, entered in favor of KPMG and the other KPMG Releasees pursuant to this Stipulation, which releases and Judgment, or Alternative Judgment, shall be null and void, and Bond/Notes Plaintiffs and KPMG shall be restored to their respective positions in the litigation as provided in ¶ 43(c) herein and any cash amounts in the Settlement Fund related to the KPMG Settlement Amount (less any proportional Taxes paid or due with respect to the Settlement Fund and less any proportional Notice and Administration Costs actually incurred and paid or payable) shall be returned as provided in ¶ 43(g).

54. The Settling Parties intend this Stipulation and the respective Settlements to be a final and complete resolution of all disputes asserted or which could be asserted by the Bond/Notes Plaintiffs, any other Settlement Class Members and their attorneys against all Released Defendant Persons with respect to all Released Bond/Notes Claims. Accordingly, Bond/Notes Plaintiffs and each Settling Defendant agree not to assert in any forum that this Action was brought by Bond/Notes Plaintiffs or defended by the Settling Defendants in bad faith or without a reasonable basis. No Settling Party shall assert any claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the institution, prosecution, defense, or settlement of this Action. The relevant Settling Parties agree that the amounts paid and the other material terms of the Wachovia Settlement and the KPMG Settlement, respectively, were negotiated at arm's-length and in good faith by the Settling Parties, under the auspices of a mediation process supervised and conducted by the Judge Daniel Weinstein (ret.), and reflect separate settlements that were each reached voluntarily upon after extensive negotiations and

consultation with experienced legal counsel, who were fully competent to assess the strengths and weaknesses of their respective clients claims or defenses.

55. While retaining their right to deny that the claims asserted in the Action were meritorious, the Settling Defendants in any statement made to any media representative (whether or not for attribution) will not deny that the Action was commenced and prosecuted in good faith and is being settled voluntarily after consultation with competent legal counsel. In all events, Bond/Notes Plaintiffs and Settling Defendants shall not make any accusations of wrongful or actionable conduct by either party concerning the prosecution and resolution of the Action, and shall not otherwise suggest that the Settlement constitutes an admission of any claim or defense alleged.

56. The terms of the Wachovia Settlement, as reflected in this Stipulation, may not be modified or amended, nor may any of its provisions be waived except by a writing signed on behalf of both Lead Bond/Notes Plaintiffs and the Wachovia Defendants (or their successors-in-interest). Similarly, the terms of the KPMG Settlement, as reflected in this Stipulation, may not be modified or amended, nor may any of its provisions be waived except by a writing signed on behalf of both Lead Bond/Notes Plaintiffs and KPMG (or their successors-in-interest).

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

58. The administration and consummation of the Wachovia and KPMG Settlements as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and Litigation Expenses to Lead Bond/Notes Counsel and enforcing the terms of this Stipulation.

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

60. This Stipulation and its exhibits and the Wachovia Supplemental Agreement constitute the entire agreement among Bond/Notes Plaintiffs and the Wachovia Defendants concerning the Wachovia Settlement and this Stipulation and its exhibits and the KPMG Supplemental Agreement constitute the entire agreement among Bond/Notes Plaintiffs and KPMG concerning the KPMG Settlement. All Settling Parties acknowledge that no other agreements, representations, warranties, or inducements have been made by any party hereto concerning this Stipulation, its exhibits or the Supplemental Agreements other than those contained and memorialized in such documents.

61. This Stipulation may be executed in one or more counterparts, including by signature transmitted via facsimile, or by a .pdf/.tif image of the signature transmitted via email. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the signatories of this Stipulation shall exchange among themselves original signed counterparts.

62. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties, including any and all Released Defendant Persons and any corporation, partnership, or other entity into or with any party hereto may merge, consolidate or reorganize.

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

64. Any action arising under or to enforce this Stipulation or any portion thereof shall be commenced and maintained only in this Court.

65. This Stipulation 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 between the parties and all parties have contributed substantially and materially to the preparation of this Stipulation.

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

67. Lead Bond/Notes Counsel and Settling Defendants' Counsel agree to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order and the Wachovia Settlement and the KPMG Settlement, as embodied in this Stipulation, and to use best efforts to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlements.

68. If either party is required to give notice to the other party under this Stipulation, such notice shall be in writing and shall be deemed to have been duly given upon receipt of hand delivery or facsimile transmission with confirmation of receipt. Notice shall be provided as follows:

If to Lead Bond/Notes Plaintiffs  
or Lead Bond/Notes Counsel:

Bernstein Litowitz Berger & Grossmann LLP  
1285 Avenue of the Americas  
New York, New York 10019  
Telephone: (212) 554-1400  
Facsimile: (212) 554-1444  
Attn: William C. Fredericks, Esq.

Kessler Topaz Meltzer & Check, LLP  
280 King of Prussia Road  
Radnor, Pennsylvania 19087  
Telephone: (610) 667-7706  
Facsimile: (610) 667-7056  
Attn: David Kessler, Esq.

Robbins Geller Rudman & Dowd LLP  
655 West Broadway, Suite 1900  
San Diego, CA 92101  
Telephone: (619) 231-1058  
Facsimile (619) 231-7423  
Attn: John J. Rice, Esq.

If to Wachovia Defendants:

Fried, Frank, Harris, Shriver & Jacobson LLP  
One New York Plaza  
New York, New York 10004  
Telephone: (212) 859-8000  
Facsimile: (212) 859-4000  
Attn: Douglas Flaum, Esq.  
Israel David, Esq.

If to KPMG:

Williams & Connolly LLP  
725 Twelfth Street, N.W.  
Washington, D.C. 20005  
Telephone: (202) 434-5000  
Facsimile: (202) 434-5029  
Attn: John K. Villa

DATED: New York, New York  
August 5, 2011

**BERNSTEIN LITOWITZ BERGER  
& GROSSMANN LLP**

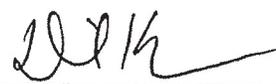
By: 

Chad Johnson  
William C. Fredericks  
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- and -

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# 558711

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*Counsel for KPMG LLP*

# 558711

# **Exhibit A**

EXHIBIT A

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE WACHOVIA PREFERRED SECURITIES  
AND BOND/NOTES LITIGATION

Master File No. 09 Civ. 6351 (RJS)

ECF Case

**[PROPOSED] ORDER PRELIMINARILY APPROVING  
PROPOSED SETTLEMENTS AND PROVIDING FOR NOTICE**

WHEREAS, a consolidated class action is pending in this Court entitled *In re Wachovia Preferred Securities and Bond/Notes Litigation*, Master File No. 09 Civ. 6351 (S.D.N.Y.) (RJS) (the “Bond/Notes Action” or “Action”);

WHEREAS, Lead Bond/Notes Plaintiffs Orange County Employees’ Retirement System, Louisiana Sheriffs’ Pension and Relief Fund, and Southeastern Pennsylvania Transportation Authority, individually and on behalf of the proposed Settlement Class (as hereinafter defined); defendants Wachovia Corporation (“Wachovia”), Wachovia Capital Trust IV, Wachovia Capital Trust IX, Wachovia Capital Trust X, Wachovia Capital Markets, LLC, Wells Fargo Securities, LLC, A.G. Edwards & Sons, Inc., Wells Fargo & Company (as successor-in-interest to Wachovia), G. Kennedy Thompson, Peter M. Carlson, Ross E. Jeffries, Jr., David M. Julian, Mark C. Treanor, Donald K. Truslow, Thomas J. Wurtz, John D. Baker, II, Robert J. Brown, Peter C. Browning, John T. Casteen, III, Jerome A. Gitt, William H. Goodwin, Jr., Maryellen C. Herringer, Robert A. Ingram, Donald M. James, Mackey J. McDonald, Joseph Neubauer, Timothy D. Proctor, Ernest S. Rady, Van L. Richey, Ruth G. Shaw, Lanty L. Smith, John C. Whitaker, Jr., and Dona Davis Young (collectively, the “Wachovia Defendants”); and defendant KPMG LLP (“KPMG” and together with

the Wachovia Defendants, the “Settling Defendants”) have entered into a Stipulation and Agreements of Settlement dated August 5, 2011 (the “Stipulation”), which is subject to review by the Court 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 following two settlements (collectively, the “Settlements”):

(1) The Wachovia Settlement, consisting of a settlement between (a) Lead Bond/Notes Plaintiffs, individually and on behalf of the proposed Settlement Class, and (b) the Wachovia Defendants, which provides for the proposed settlement of the claims asserted in the Bond/Notes Action against the Wachovia Defendants and the Underwriter Defendants on the merits and with prejudice, upon the terms and conditions set forth in the Stipulation; and

(2) The KPMG Settlement, consisting of a settlement between (a) Lead Bond/Notes Plaintiffs, individually and on behalf of the proposed Settlement Class, and (b) KPMG, which provides for the proposed settlement of the claims asserted in the Bond/Notes Action against KPMG on the merits and with prejudice, upon the terms and conditions set forth in the Stipulation.

WHEREAS, Lead Bond/Notes Plaintiffs have made an application, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for an order preliminarily approving the Settlements in accordance with the Stipulation, certifying the Settlement Class for purposes of settlement only, and approving notice to the Settlement Class as more fully described herein;

WHEREAS, the Court having read and considered the Stipulation and the exhibits thereto, including the proposed (a) Notice; (b) Claim Form; (c) Summary Notice; and (d) Judgment and the

submissions relating thereto, and finding that substantial and sufficient grounds exist for entering this Order; and

WHEREAS, unless otherwise defined herein, all capitalized words contained herein shall have the same meanings as they have in the Stipulation;

NOW THEREFORE, IT IS HEREBY ORDERED:

1. **Settlement Class Certification** – Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure and for purposes of settlement only, the Bond/Notes Action is hereby certified as a class action on behalf of all Persons who purchased or otherwise acquired Bond Class Securities during the Settlement Class Period, and were damaged thereby (the “Settlement Class”). Excluded from the Settlement Class are all Defendants in the Action and their respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any entity in which any Defendant has or had a controlling interest, and any Person who has entered into a tolling agreement in connection with this Action and his, her or its respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any entity in which any such Person has or had a controlling interest, provided that any Investment Vehicle shall not be deemed an excluded Person by definition. Also excluded from the Settlement Class are any Persons who timely and validly request exclusion from the Settlement Class in accordance with the requirements set forth in the Notice to be sent to Settlement Class Members pursuant to this Order.

2. **Settlement Class Findings** – The Court finds, for purposes of settlement only, that each of the prerequisites for certifying the Action as a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure has been satisfied in that: (a) the number of Settlement Class

Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Settlement Class which predominate over any individual questions; (c) the claims of the Lead Bond/Notes Plaintiffs are typical of the claims of the Settlement Class; (d) Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel have and will fairly and adequately represent the interests of the Settlement Class; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the Action.

3. The Court hereby finds and concludes that pursuant to Rule 23 of the Federal Rules of Civil Procedure and for purposes of settlement only, Lead Bond/Notes Plaintiffs Orange County Employees' Retirement System, Louisiana Sheriffs' Pension and Relief Fund, and Southeastern Pennsylvania Transportation Authority, are adequate class representatives and certifies them as class representatives on behalf of the Settlement Class and Lead Bond/Notes Counsel are hereby appointed as co-lead counsel for the Settlement Class.

4. **Preliminary Approval of the Settlements** – The Court hereby preliminarily approves both the Wachovia Settlement and the KPMG Settlement, as embodied in the Stipulation, as being fair, reasonable and adequate, and in the best interest of Lead Bond/Notes Plaintiffs and the other Settlement Class Members, subject to further consideration at the Settlement Hearing to be conducted as described below.

5. **Settlement Hearing** – The Court will hold a settlement hearing (the “Settlement Hearing”) on \_\_\_\_\_, 2011 at \_\_: \_\_ .m. at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 21C, New York, NY 10007-1312, for the following purposes: (a) to determine whether each proposed Settlement, on the terms and conditions provided for in the Stipulation, is fair, reasonable and adequate, and should be approved by the Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit B to the Stipulation

should be entered dismissing the Action with prejudice against the Released Defendants; (c) to determine whether the proposed Plan of Allocation for the proceeds of each Settlement is fair and reasonable and should be approved; (d) to determine whether the motion by Lead Bond/Notes Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved; and (e) to consider any other matters that may properly be brought before the Court in connection with the Settlements. Notice of the Settlements and the Settlement Hearing shall be given to Settlement Class Members as set forth in Paragraph 7 of this Order.

6. The Court may adjourn the Settlement Hearing and approve the proposed Settlements with such modifications as the affected Settling Parties may agree to, if appropriate, without further notice to the Settlement Class.

7. **Retention of Claims Administrator and Manner of Notice** – Lead Bond/Notes Counsel are hereby authorized to retain The Garden City Group, Inc. (the “Claims Administrator”) to supervise and administer the notice procedure as well as the processing of Claims as more fully set forth below. Notice of the Settlements and the Settlement Hearing shall be given by Lead Bond/Notes Counsel as follows:

(a) not later than fifteen (15) business days after entry of this Order (the “Notice Date”), the Claims Administrator shall cause a copy of the Notice and the Claim Form, substantially in the forms attached hereto as Exhibits 1 and 2, respectively (the “Notice Packet”), to be mailed by first-class mail to Settlement Class Members at the addresses set forth in the records of Wachovia or its transfer agent(s), or who otherwise may be identified through further reasonable effort;

(b) within seven (7) business days of the date of entry of this Order, Wachovia shall provide or cause to be provided to the Claims Administrator (at no cost to the Settlement Fund, Bond/Notes Plaintiffs, Bond/Notes Plaintiffs' Counsel or the Claims Administrator) its security

holder lists (consisting of security holder names and addresses), in electronic form identifying all Persons who held any of the Bond Class Securities during the Settlement Class Period;

(c) not later than ten (10) business days after the Notice Date, the Claims Administrator shall cause the Summary Notice, substantially in the form attached hereto as Exhibit 3, to be published once in the national editions of *The Wall Street Journal* and *The New York Times* and once in the *Financial Times* and to be transmitted once over the *PR Newswire*; and

(d) not later than seven (7) calendar days prior to the Settlement Hearing, Lead Bond/Notes Counsel shall serve on Settling Defendants' Counsel and file with the Court proof, by affidavit or declaration, of such mailing and publication.

8. **Approval of Form and Content of Notice** – The Court (a) approves, as to form and content, the Notice, the Claim Form, and the Summary Notice, attached hereto as Exhibits 1, 2, and 3, respectively, and (b) finds that the mailing and distribution of the Notice and Claim Form and the publication of the Summary Notice in the manner and form set forth in Paragraph 7 of this Order (i) is the best notice practicable under the circumstances, (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the Action, of the effect of the proposed Settlements (including the Releases contained therein) and of their right to object to any aspect of the proposed Settlements (namely, to any aspect of the Wachovia Settlement, the KPMG Settlement, or of both), exclude themselves from the Settlement Class and appear at the Settlement Hearing; (iii) constitutes due, adequate and sufficient notice to all Persons entitled to receive notice of the proposed Settlements; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure, due process, the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 77z-1(a)(7), the Rules of the Court, and all other applicable law

and rules. The date and time of the Settlement Hearing shall be included in the Notice and Summary Notice before they are mailed and published, respectively.

9. **Nominee Procedures** – Brokers and other nominees who purchased or acquired Bond Class Securities during the Settlement Class Period for the benefit of another Person shall forward the Notice Packet to all such beneficial owners within ten (10) calendar days after receipt thereof, or send a list of the names and addresses of such beneficial owners to the Claims Administrator within ten (10) calendar days of receipt thereof in which event the Claims Administrator shall promptly mail the Notice Packet to such beneficial owners. Upon full compliance with this Order, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with this Order by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Such properly documented expenses incurred by nominees in compliance with the terms of this Order shall be paid from the Settlement Fund, with any disputes as to the reasonableness or documentation of expenses incurred subject to review by the Court.

10. **Participation in the Settlements** – Settlement Class Members who wish to participate in the Settlements and to be eligible to receive a distribution from the Net Settlement Fund must complete and submit a Claim Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Claim Forms must be postmarked no later than one hundred and twenty (120) calendar days after the Notice Date. Notwithstanding the foregoing, Lead Bond/Notes Counsel may, at their discretion, accept for processing and payment late claims provided such acceptance does not materially delay the distribution of the Net Settlement Fund to the Settlement Class. By submitting a Claim, a person or entity shall be deemed to have submitted to

the jurisdiction of the Court with respect to his, her or its Claim and the subject matter of the Settlements.

11. Each Claim Form submitted must satisfy the following conditions: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding paragraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by Lead Bond/Notes Counsel or the Claims Administrator; (iii) if the person executing the Claim Form is acting in a representative capacity, a certification of his, her or its current authority to act on behalf of the Settlement Class Member must be included in the Claim Form to the satisfaction of Lead Bond/Notes Counsel or the Claims Administrator; and (iv) the Claim 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.

12. Any Settlement Class Member that does not timely and validly submit a Claim Form or whose claim is not otherwise approved by the Court: (a) shall be deemed to have waived his, her or its right to share in the Net Settlement Fund; (b) shall forever be barred from participating in any distributions therefrom; (c) shall be bound by the provisions of the Stipulation and the Settlements and all proceedings, determinations, orders and judgments in the Action relating thereto, including, without limitation, the Judgment or Alternative Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be barred from commencing, maintaining or prosecuting any of the Released Bond/Notes Claims against each and all of the Released Defendant Persons, as more fully described in the Stipulation and Notice.

Notwithstanding any of the foregoing, Lead Bond/Notes Counsel may accept late submitted Claims for processing so long as the distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed thereby.

13. **Exclusion From the Settlement Class** – Any member of the Settlement Class who wishes to exclude himself, herself or itself from the Settlement Class must request exclusion in writing within the time and in the manner set forth in the Notice, which shall provide that: (a) any such request for exclusion from the Settlement Class must be mailed or delivered such that it is received no later than twenty (20) calendar days prior to the Settlement Hearing, to: *In re Wachovia Preferred Securities and Bond/Notes Litigation*, EXCLUSIONS, c/o GCG, Inc., P.O. Box 9804, Dublin, Ohio 43017-5704; and (b) that each request for exclusion must (i) state the name, address and telephone number of the person or entity requesting exclusion; (ii) state that such person or entity “requests exclusion from the Settlement Class in *In re Wachovia Preferred Securities and Bond/Notes Litigation*, Master File No. 09 Civ. 6351 (RJS)”; (iii) state the number of each Bond Class Security (in terms of shares or face value of notes) that the person or entity requesting exclusion purchased/acquired during the Settlement Class Period, as well as any sales/dispositions during the Settlement Class Period or thereafter through the close of trading on the day before the date of execution of the Stipulation, as well as the dates and prices of each such purchase/acquisition and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be effective unless it provides all the required information and is received within the time stated above, or is otherwise accepted by the Court. Any request for exclusion that complies with these terms shall be treated as a request for exclusion from the Settlement Class in connection with both Settlements, as Settlement Class Members are not permitted to opt out of one Settlement and participate in the other Settlement.

14. Any person or entity who or which timely and validly requests exclusion from the Settlement Class, in compliance with the terms stated in this Order, and is excluded from the Settlement Class shall not be a Settlement Class Member, shall not be bound by the terms of the Settlements or the Stipulation, and shall have no right to receive any payment out of the Net Settlement Fund.

15. Any Settlement Class Member who or which does not timely and validly request exclusion from the Settlement Class in the manner stated in this Order: (a) shall be deemed to have waived his, her or its right to be excluded from the Settlement Class; (b) shall be forever barred from requesting exclusion from the Settlement Class in this or any other proceeding; (c) shall be bound by the provisions of the Stipulation and the Settlements and all proceedings, determinations, orders and judgments in the Action, including, but not limited to, the Judgment or Alternative Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be barred from commencing, maintaining or prosecuting any of the Released Bond/Notes Claims against any of Released Defendant Persons, as more fully described in the Stipulation and Notice.

16. **Appearance and Objections at Settlement Hearing** – Any Settlement Class Member who does not request exclusion from the Settlement Class may enter an appearance in the Action, at his, her or its own expense, individually or through counsel of his, her or its own choice, by filing with the Clerk of Court and delivering a notice of appearance to representative Lead Bond/Notes Counsel, Counsel for the Wachovia Defendants and/or Counsel for KPMG, as applicable, as set forth in paragraph 17 below, such that it is received no later than twenty (20) calendar days prior to the Settlement Hearing, or as the Court may otherwise direct. Any Settlement Class Member who does not enter an appearance will be represented by Lead Bond/Notes Counsel.

17. Any Settlement Class Member who does not request exclusion from the Settlement Class may file written objections to any aspect of the proposed Settlements (namely, any aspect of the Wachovia Settlement, the KPMG Settlement, or both), the proposed Plan of Allocation, and/or the motion for an award of attorneys’ fees and reimbursement of Litigation Expenses and appear and show cause, if he, she or it has any cause, why the proposed Settlements, the proposed Plan of Allocation and/or the motion for attorneys’ fees and reimbursement of Litigation Expenses should not be approved; *provided, however*, that no Settlement Class Member shall be heard or entitled to contest the approval of the terms and conditions of any aspect of the proposed Settlements, the proposed Plan of Allocation, and/or the motion for attorneys’ fees and reimbursement of Litigation Expenses unless that person or entity has filed written objections with the Court and served copies of such objections on the designated representative Lead Bond/Notes Counsel and on counsel for the relevant Settling Defendants at the addresses set forth below such that they are received no later than twenty (20) calendar days prior to the Settlement Hearing.

<b><u>Representative Lead Bond/Notes Counsel</u></b>	<b><u>Counsel for the Wachovia Defendants</u></b>	<b><u>Counsel for KPMG</u></b>
William C. Fredericks, Esq. Bernstein Litowitz Berger & Grossmann LLP 1285 Avenue of the Americas New York, NY 10019	Douglas H. Flaum, Esq. Israel David, Esq. Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, New York 10004	John K. Villa, Esq. Williams & Connolly LLP 725 Twelfth Street, N.W. Washington, D.C. 20005

18. Any objections, filings and other submissions by the objecting Settlement Class Member (a) must contain a statement of his, her or its objections, as well as the specific reasons for each objection, including the legal and evidentiary support the Settlement Class Member wishes to bring to the Court’s attention; and (b) must include documents sufficient to prove membership in the Settlement Class, as defined above in Paragraph 1, including the number (in terms of shares or face

value of notes) of each Bond Class Security that the objecting Settlement Class Member purchased/acquired during the Settlement Class Period, as well as sales of such securities during the Settlement Class Period or thereafter through the close of trading on the day before the date of execution of the Stipulation, along with the dates and prices of each such purchase and sale.

19. Any Settlement Class Member who does not make his, her or its objection in the manner provided herein shall be deemed to have waived his, her or its right to object to any aspect of the proposed Settlements, the proposed Plan of Allocation, and the motion for attorneys' fees and reimbursement of Litigation Expenses and shall forever be barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlements, the Plan of Allocation or the requested attorneys' fees and Litigation Expenses, or from otherwise being heard concerning the Settlements, the Plan of Allocation or the requested attorneys' fees and Litigation Expenses in this or any other proceeding.

20. **Stay** – Unless otherwise ordered by the Court, the Court stays all proceedings in the Action other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation. Pending final determination of whether the Settlements should be approved, the Court enjoins Lead Bond/Notes Plaintiffs, Additional Bond/Notes Plaintiffs and all other Settlement Class Members from commencing, prosecuting or asserting any claim against any of the Released Defendant Persons that is a Released Bond/Notes Claim or that would be barred pursuant to paragraph 34 of the Stipulation.

21. **Settlement Administration Fees and Expenses** – All reasonable costs incurred in identifying and notifying Settlement Class Members as well as in administering the Settlements shall be paid as set forth in the Stipulation without further order of the Court.

22. **Settlement Fund** – The contents of the Settlement Fund held by the New York branch of Citibank, N.A. (which the Court approves as the Escrow Agent), shall be deemed and considered to be *in custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as they shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

23. **Taxes** – Lead Bond/Notes Counsel are authorized and directed to prepare any tax returns and any other tax reporting form for or in respect of the Settlement Fund, to pay from the Settlement Fund any Taxes owed with respect to the Settlement Fund, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect thereof without further order of the Court in a manner consistent with the provisions of the Stipulation.

24. **Termination** – The Court finds that the Settlements set forth in the Stipulation (i) between Lead Bond/Notes Plaintiffs and the Wachovia Defendants and (ii) between Lead Bond/Notes Plaintiffs and KPMG, respectively, were negotiated separately and independently from each other, and that accordingly either Settlement may and shall proceed separately if one Settlement is terminated for reasons that do not affect the other Settlement. If either of the Settlements is terminated, or is not approved, or the Effective Date as to one of the Settlements does not occur, this Order shall become null and void as to that Settlement only, and shall be without prejudice to the rights of Lead Bond/Notes Plaintiffs, the Settlement Class Members and the affected Defendants, all of whom shall be restored to their respective positions in the Action, as provided for in the Stipulation.

25. **Use of this Order** – Neither this Order nor either of the proposed Settlements (including the Stipulation or any of its respective terms, or any aspect of any of the negotiations, discussions and proceedings in connection with the negotiation of and/or efforts to consummate the

Stipulation or either of the Settlements): (a) shall be offered in evidence or used for any other purpose in this or any other proceeding in any court, administrative agency, arbitration forum, or other tribunal other than as may be necessary to enforce the terms of this Order and/or the respective proposed Settlements; (b) shall be described as, construed as, interpreted as or offered against the Settling Defendants as evidence of and/or deemed to be evidence of any presumption, concession, or admission by Settling Defendants as to any liability, negligence, fault, wrongdoing on their part or the validity of any claim by Lead Bond/Notes Plaintiffs or the merits of any of their defenses; and (c) shall be described as, construed as, interpreted as, or offered against Lead Bond/Notes Plaintiffs or any Settlement Class Member as evidence of any infirmity in the claims of Lead Bond/Notes Plaintiffs and the Settlement Class, or as evidence that the damages recoverable from the respective Settling Defendants would not have exceeded the Total Settlement Amount or the individual Settlement Amounts.

26. **Supporting Papers** – Lead Bond/Notes Counsel shall file and serve papers in support of the proposed Settlements, the Plan of Allocation, and Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses no later than thirty-five (35) calendar days prior to the Settlement Hearing; and reply papers, if any, shall be filed and served no later than seven (7) calendar days prior to the Settlement Hearing.

27. The Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlements.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

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The Honorable Richard J. Sullivan  
United States District Judge

# **Exhibit A-1**

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

IN RE WACHOVIA PREFERRED SECURITIES  
AND BOND/NOTES LITIGATION

Master File No. 09 Civ. 6351 (RJS)

**ECF Case**

**NOTICE OF (I) PENDENCY OF CLASS ACTION; (II) PROPOSED SETTLEMENTS AND PLAN OF ALLOCATION; (III) SETTLEMENT FAIRNESS HEARING; AND (IV) MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

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

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned class action lawsuit pending in this Court (the "Action") if you purchased or otherwise acquired any of following securities (the "Bond Class Securities") issued by Wachovia Corporation ("Wachovia" or the "Company") from the dates they were first offered to the public for sale through and including February 27, 2009 (the "Settlement Class Period"), and were damaged thereby:<sup>1</sup>

6.375% Wachovia Capital Trust IV Trust Preferred Securities (CUSIP 92978U207)	Three-Month LIBOR Floating Rate Subordinated Notes Due October 15, 2016 (CUSIP 929903CJ9)
6.375% Wachovia Capital Trust IX Trust Preferred Securities (CUSIP 92978X201)	Three-Month LIBOR Floating Rate Senior Notes Due December 1, 2009 (CUSIP 92976WBC9)
7.85% Wachovia Capital Trust X Trust Preferred Securities (CUSIP 92979K208)	Three-Month LIBOR Floating Rate Notes Due April 23, 2012 (CUSIP 929903DF6)
8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J (CUSIP 929903276)	Three-Month LIBOR Floating Rate Notes Due June 15, 2017 (CUSIP 929903DU3)
Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K (CUSIP 929403243, later denominated 929903EF5)	5.75% Notes Due June 15, 2017 (CUSIP 929903DT6)
7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L (CUSIP 929903219)	Three-Month LIBOR Floating Rate Notes Due July 26, 2010 (CUSIP 92976WBD7)
Three-Month LIBOR Floating Rate Notes Due August 1, 2013 (CUSIP 92976WBB1)	Three-Month LIBOR Floating Rate Notes Due August 20, 2009 (CUSIP 929903EC2)
5.70% Notes Due August 1, 2013 (CUSIP 92976WBA3)	Three-Month LIBOR Floating Rate Notes Due November 24, 2009 (CUSIP 92976WBG0)
Three-Month LIBOR Floating Rate Notes Due October 15, 2011 (CUSIP 929903CG5)	5.75% Notes due February 1, 2018 (CUSIP 92976WBH8)
5.30% Notes Due October 15, 2011 (CUSIP 929903CF7)	5.50% Fixed Rate Notes Due May 1, 2013 (CUSIP 92976WBK1)
5.625% Subordinated Notes Due October 15, 2016 (CUSIP 929903CH3)	Three Month LIBOR Floating Rate Notes due May 1, 2013 (CUSIP 92976WBK1)

<sup>1</sup> Any capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreements of Settlement dated August 5, 2011 (the "Stipulation"), which is available on the website established for the Settlements at [www.\\_\\_\\_\\_\\_.com](http://www._____.com).

**Please note that the Bond Class Securities do not include Wachovia common stock or any other securities that are not listed above. Wachovia common stock is the subject of a separate class action suit, *In re Wachovia Equity Securities Litigation*, No. 08 Civ. 6171 (RJS) (S.D.N.Y), which is not part of the Settlements described in this Notice.**

**NOTICE OF SETTLEMENTS:** Please also be advised that the Court-appointed Lead Bond/Notes Plaintiffs, Orange County Employees' Retirement System ("Orange County"), Louisiana Sheriffs' Pension and Relief Fund ("Louisiana Sheriffs"), and Southeastern Pennsylvania Transportation Authority ("SEPTA"), on behalf of themselves and the Settlement Class (as defined in paragraph 32 below), have reached agreements to settle the Action for settlement payments totaling \$627 million in cash, plus interest thereon, consisting of: (i) a \$590 million cash settlement with the Wachovia Defendants (identified in paragraph 1 below) (the "Wachovia Settlement"); and (ii) a \$37 million cash settlement with defendant KPMG LLP ("KPMG") (the "KPMG Settlement") (collectively, the "Settlements").<sup>2</sup> If the Settlements are approved by the Court, all claims in the Action by the Settlement Class Members (defined in paragraph 32 below) against the Settling Defendants, as well as other Released Defendant Persons, identified in paragraph 74 below, will be resolved.

**PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlements. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.**

1. **Overview of the Action and the Settlement Class:** This Notice relates to the proposed Settlements of the claims in a pending class action lawsuit brought by investors alleging that they suffered damages as a result of material misrepresentations and omissions in the offering materials for each of the Bond Class Securities in violation of the federal Securities Act of 1933. A more detailed description of the Action is set forth in paragraphs 14-31 below. The "Defendants" in the Action are: (a) Wachovia, Wachovia Capital Trust IV, Wachovia Capital Trust IX, Wachovia Capital Trust X, Wachovia Capital Markets, LLC, Wells Fargo Securities, LLC, A.G. Edwards & Sons, Inc., Wells Fargo & Company ("Wells Fargo") (as successor-in-interest to Wachovia), G. Kennedy Thompson, Peter M. Carlson, Ross E. Jeffries, Jr., David M. Julian, Mark C. Treanor, Donald K. Truslow, Thomas J. Wurtz, John D. Baker, II, Robert J. Brown, Peter C. Browning, John T. Casteen, III, Jerome A. Gitt, William H. Goodwin, Jr., Maryellen C. Herringer, Robert A. Ingram, Donald M. James, Mackey J. McDonald, Joseph Neubauer, Timothy D. Proctor, Ernest S. Rady, Van L. Richey, Ruth G. Shaw, Lanty L. Smith, John C. Whitaker, Jr., and Dona Davis Young (collectively, the "Wachovia Defendants"); (b) the Underwriter Defendants<sup>3</sup>; and (c) KPMG.

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<sup>2</sup> The Wachovia Defendants and KPMG are collectively referred to herein as the "Settling Defendants".

<sup>3</sup> The "Underwriter Defendants" are: Banc of America Securities LLC, Barclays Capital Inc., BB&T Capital Markets, Citigroup Global Markets, Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., Guzman & Company, Jackson Securities, LLC, Loop Capital Markets, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co., Incorporated, M.R. Beal & Company, Muriel Siebert & Co., Inc., Samuel A. Ramirez & Company, Inc., Sandler O'Neill & Partners, L.P., UBS Securities LLC, The Williams Capital Group, L.P., ABN AMRO Inc., Bank of America Corp. (as successor-in-interest to Countrywide Securities Corp.), B.C. Ziegler and Company, Bear, Stearns & Co., Inc., BNP Paribas Securities Corp., Cabrera Capital Markets, LLC, CastleOak Securities, L.P., Charles Schwab & Co., Inc., C.L. King & Associates, Inc., Comerica Securities, Inc., Countrywide Securities Corp., D.A. Davidson & Co., Davenport & Company LLC, E\*TRADE Securities LLC, Ferris, Baker Watts, Inc. (n/k/a RBC Capital Markets Corporation), Fidelity Capital Markets Services (a division of National Financial Services LLC), Fifth Third Securities, Inc., Fixed Income Securities, L.P., FTN Financial Securities Corp., Greenwich Capital Markets, Inc., Howe Barnes Hoefer & Arnett, Inc., H&R Block Financial Advisors, Inc. (n/k/a Ameriprise Advisor Services, Inc.), HSBC Securities (USA) Inc., Janney Montgomery Scott LLC, J.B. Hanauer & Co, Jefferies & Company, Inc., J.J.B. Hilliard, W.L. Lyons, Inc., JPMorgan Chase (as successor-in-interest to Bear, Stearns & Co., Inc.), J.P. Morgan Securities LLC f/k/a JP Morgan Securities Inc. (as successor-in-interest to Bear, Stearns & Co., Inc.), JVB Financial Group, LLC, Keefe, Bruyette & Woods, Inc., KeyBanc Capital Markets Inc., Mesirov Financial, Inc., Morgan Keegan & Company, Inc., NatCity Investments, Inc., Oppenheimer & Co. Inc., PNC Investments, LLC (as successor-in-interest to NatCity Investments, Inc.), Pershing LLC, Piper Jaffray & Co., Popular Securities, Inc., RBC Capital Markets Corporation, RBC Dain Rauscher Inc. (n/k/a RBC Capital Markets

The proposed Wachovia Settlement provides for the release of claims against the Wachovia Defendants and the Underwriter Defendants, as well as other parties related to the Wachovia Defendants and the Underwriter Defendants, as specified in the Stipulation.<sup>4</sup> The proposed KPMG Settlement provides for the release of claims against Defendant KPMG, as well as parties related to KPMG, as also specified in the Stipulation. All persons and entities who purchased or otherwise acquired Bond Class Securities during the Settlement Class Period and were damaged thereby, except for certain persons and entities who are excluded from the Settlement Class by definition (*see* paragraph 32 below) or persons and entities who validly elect to exclude themselves from the Settlement Class (*see* paragraphs 82-84 below) will be affected by the Settlements, if they are approved by the Court, and may be eligible to receive a payment from the Settlements.

2. **Statement of the Settlement Class's Recovery:** Subject to approval by the Court, and as described more fully below, Lead Bond/Notes Plaintiffs, on behalf of themselves and the Settlement Class, have agreed to settle all claims asserted against the Defendants in the Action in exchange for a total of \$627 million in cash. Lead Bond/Notes Plaintiffs have agreed to settle with the Wachovia Defendants, and to include the Underwriter Defendants as released parties, for \$590 million in cash (the "Wachovia Settlement Amount"), and have agreed to settle with KPMG for \$37 million in cash (the "KPMG Settlement Amount," and together with the Wachovia Settlement Amount, the "Settlement Amounts"). The Settlement Amounts will be deposited into an interest-bearing escrow account for the benefit of the Settlement Class Members. The Settlement Amounts together with all interest earned thereon while on deposit in the escrow account are referred to as the "Settlement Fund". The "Net Settlement Fund" (the Settlement Fund less any Taxes, any Notice and Administration Costs and any attorneys' fees and Litigation Expenses awarded by the Court) will be distributed in accordance with the plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among Settlement Class Members who are eligible to participate in the distribution of the Net Settlement Fund and who submit a timely and valid Proof of Claim and Release form (a "Claim Form"). The proposed plan of allocation (the "Plan of Allocation") is included in this Notice at pages [ ]-[ ] below.

3. **Estimate of Average Amount of Recovery Per Share or Note:** Based on Lead Bond/Notes Plaintiffs' damages expert's estimates of the number of Bond Class Securities purchased during the Settlement Class Period that may have been affected by the conduct at issue in the Action and assuming that all Settlement Class Members elect to participate in the Settlements and that both the Wachovia Settlement and KPMG Settlement are approved, the estimated average recovery per eligible share or note (before the deduction of any Court-approved fees, expenses and costs as described herein)<sup>5</sup> would be approximately \$0.92 per share of 6.375% Wachovia Capital Trust IV Trust Preferred Securities, \$1.07 per share of 6.375% Wachovia Capital Trust IX Trust Preferred Securities, \$0.59 per share of 7.85% Wachovia Capital Trust X Trust Preferred Securities, \$0.98 per share of 8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J, \$31.02 per share of Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K, \$53.40 per share of 7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L, \$7.84 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due August 1, 2013, \$13.64 per \$1,000 face value of 5.70% Notes Due August 1, 2013, \$3.86 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due October 15, 2011, \$6.52 per \$1,000 face value of 5.30% Notes Due October 15, 2011, \$9.72 per \$1,000 face value of 5.625% Subordinated Notes Due October 15, 2016, \$13.84 per \$1,000 face value of Three-Month LIBOR Floating Rate Subordinated Notes Due

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Corporation), Raymond James & Associates, Inc., Robert W. Baird & Co. Inc., Ross, Sinclair & Associates, LLC, Ryan Beck & Co., Inc., Sterne, Agee & Leach, Inc., Stifel, Nicolaus & Company, Inc., SunTrust Capital Markets, Inc. (n/k/a SunTrust Robinson Humphrey, Inc.), TD Ameritrade, Inc., Toussaint Capital Partners, LLC, Utendahl Capital Partners, L.P., Wedbush Morgan Securities Inc., and William Blair & Company, LLC.

<sup>4</sup> The Wachovia Settlement will not release any claims against any Underwriter Defendant, or any party related to such Underwriter Defendant, if the applicable Underwriter Defendant does not provide to Lead Bond/Notes Counsel, by the date that is five business days prior to the date of the Settlement Hearing, a signed release of any and all of its claims against the Bond/Notes Plaintiff-Related Releasees, as defined in paragraph 75 below, that is equivalent in scope to the release being provided by the Settling Defendants pursuant to the Stipulation.

<sup>5</sup> An allegedly damaged share or note may have been traded more than once during the Settlement Class Period, and the average recovery per share or note represents the total for all purchasers of that share or note.

October 15, 2016, \$3.69 per \$1,000 face value of Three-Month LIBOR Floating Rate Senior Notes Due December 1, 2009, \$10.27 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due April 23, 2012, \$13.85 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due June 15, 2017, \$4.87 per \$1,000 face value of 5.75% Notes Due June 15, 2017, \$0.19 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due July 26, 2010, \$2.25 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due August 20, 2009, \$0.48 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due November 24, 2009, \$8.81 per \$1,000 face value of 5.75% Notes due February 1, 2018, \$14.65 per \$1,000 face value of 5.50% Fixed Rate Notes Due May 1, 2013, and \$8.82 per \$1,000 face value of Three Month LIBOR Floating Rate Notes due May 1, 2013. Settlement Class Members should note, however, that these are only estimates based on the overall number of potentially affected shares and notes. Some Settlement Class Members may recover more or less than these estimated amounts depending on, among other factors, when and at what prices they purchased/acquired or sold their Bond Class Securities, and the total number of valid claim forms submitted.

4. **Average Amount of Damages Per Share or Note:** The parties do not agree on the average amount of damages per share or note that would be recoverable if Lead Bond/Notes Plaintiffs were to prevail in the Action. The Settling Defendants deny that any Bond Class Securities were damaged as Lead Bond/Notes Plaintiffs have alleged. The Settling Defendants also deny that any of the offering materials for the Bond Class Securities contained any material misrepresentations or omissions, and they assert that they were prepared to establish that the prices of the Bond Class Securities declined in value for reasons not related to the disclosure of any allegedly false or misleading statements in the offering materials for the securities. The parties also disagree on the appropriate methodology for determining damages, if liability were established.

5. **Attorneys' Fees and Expenses Sought:** Bond/Notes Plaintiffs' Counsel, who have been prosecuting the Action on a wholly contingent basis since its inception in 2009, have not received any payment of attorneys' fees for their representation of the Settlement Class and they have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Lead Bond/Notes Counsel will apply to the Court for an award of attorneys' fees for all Bond/Notes Plaintiffs' Counsel in an amount not to exceed 17.5% of the Settlement Fund. In addition, Lead Bond/Notes Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$1.8 million (which may include an application for reimbursement of the reasonable costs and expenses incurred by Bond/Notes Plaintiffs directly related to their representation of the Settlement Class), plus interest on such expenses at the same rate as earned on the Settlement Amounts. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. If both the Wachovia Settlement and KPMG Settlement are approved by the Court, and Lead Bond/Notes Counsel's fee and expense application is granted, and assuming that all Settlement Class Members elect to participate in the Settlements, the average cost per share or note will be approximately \$0.16 per share of 6.375% Wachovia Capital Trust IV Trust Preferred Securities, \$0.19 per share of 6.375% Wachovia Capital Trust IX Trust Preferred Securities, \$0.11 per share of 7.85% Wachovia Capital Trust X Trust Preferred Securities, \$0.17 per share of 8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J, \$5.52 per share of Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K, \$9.50 per share of 7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L, \$1.39 per \$1000 face value of Three-Month LIBOR Floating Rate Notes Due August 1, 2013, \$2.43 per \$1,000 face value of 5.70% Notes Due August 1, 2013, \$0.69 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due October 15, 2011, \$1.16 per \$1,000 face value of 5.30% Notes Due October 15, 2011, \$1.73 per \$1,000 face value of 5.625% Subordinated Notes Due October 15, 2016, \$2.46 per \$1,000 face value of Three-Month LIBOR Floating Rate Subordinated Notes Due October 15, 2016, \$0.66 per \$1,000 face value of Three-Month LIBOR Floating Rate Senior Notes Due December 1, 2009, \$1.83 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due April 23, 2012, \$2.46 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due June 15, 2017, \$0.87 per \$1,000 face value of 5.75% Notes Due June 15, 2017, \$0.03 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due July 26, 2010, \$0.40 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due August 20, 2009, \$0.08 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due November 24, 2009, \$1.57 per

\$1,000 face value of 5.75% Notes due February 1, 2018, \$2.61 per \$1,000 face value of 5.50% Fixed Rate Notes Due May 1, 2013, and \$1.57 per \$1000 face value of Three Month LIBOR Floating Rate Notes due May 1, 2013.<sup>6</sup>

6. **Identification of Attorneys’ Representatives:** Lead Bond/Notes Plaintiffs and the Settlement Class are represented by the law firms of Bernstein Litowitz Berger & Grossmann LLP, Kessler Topaz Meltzer & Check, LLP and Robbins Geller Rudman & Dowd LLP, the Court-appointed Co-Lead Counsel in the Bond/Notes Action (“Lead Bond/Notes Counsel”). Any questions regarding the Settlements should be directed to:

William C. Fredericks, Esq., Bernstein Litowitz Berger & Grossmann LLP, 1285 Avenue of the Americas, New York, NY 10019, (800) 380-8496, [blbg@blbglaw.com](mailto:blbg@blbglaw.com);

David Kessler, Esq., Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087, (610) 667-7706, [info@ktmc.com](mailto:info@ktmc.com); or

Rick Nelson, c/o Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, (800) 449-4900, [rickn@rgrdlaw.com](mailto:rickn@rgrdlaw.com).

Please do not contact any representative of the Defendants or the Court with questions about the Settlements.

7. **Reasons for the Settlements:** Lead Bond/Notes Plaintiffs’ principal reasons for entering into the Settlements are the substantial benefits payable to the Settlement Class now, without further risk or the delays inherent in further litigation. The significant cash benefits under the Settlements must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after contested motions, a contested trial and likely appeals, a process that could be expected to last several years into the future. For the Settling Defendants, who deny all allegations of wrongdoing or liability whatsoever (and also deny all allegations that any conduct on their part caused any class members to suffer any damages), the principal reason for entering into their respective Settlements is to eliminate the expense, risks, and uncertainty of further litigation.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THESE SETTLEMENTS:</b>	
<b>SUBMIT A CLAIM FORM BY _____, 2011.</b>	This is the only way to be eligible to get a payment from the Settlements. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlements as approved by the Court and you will give up any “Released Bond/Notes Claims” (as defined below) that you have against the Settling Defendants and the other “Released Defendant Persons” (as defined below). If you remain in the Settlement Class, it is likely in your interest to submit a Claim Form.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN _____, 2011.</b>	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Settling Defendants or the other Released Defendant Persons concerning the Released Bond/Notes Claims.

<sup>6</sup> Should the Court approve only the Wachovia Settlement or only the KPMG Settlement, attorneys’ fees will be paid only on the approved Settlement. The Litigation Expenses approved by the Court will be paid from the Settlement Fund created by the approved Settlement.

<p><b>OBJECT TO THE SETTLEMENTS BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN _____, 2011.</b></p>	<p>If you do not like any aspect of the proposed Wachovia Settlement and/or the KPMG Settlement, the proposed Plan of Allocation, or the request for attorneys’ fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlements, the Plan of Allocation or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.</p>
<p><b>GO TO A HEARING ON _____, 2011 AT _____:____.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN _____, 2011.</b></p>	<p>Filing a written objection and notice of intention to appear by _____, 2011 allows you to speak in Court about the fairness of the Settlements, the Plan of Allocation, and/or the request for attorneys’ fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and speak to the Court about your objection.</p>
<p><b>DO NOTHING.</b></p>	<p>If you are a member of the Settlement Class and you do not submit a Claim Form by _____, 2011, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlements and you will be bound by any judgments or orders entered by the Court in the Action.</p>

**WHAT THIS NOTICE CONTAINS**

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## WHY DID I GET THIS NOTICE?

8. This Notice is being sent to you pursuant to an Order of the United States District Court for the Southern District of New York because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired Bond Class Securities (defined on page 1) during the Settlement Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlements. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlements and the Plan of Allocation (or some other plan of allocation), the claims administrator selected by Lead Bond/Notes Plaintiffs and approved by the Court will make payments pursuant to the Stipulation and the Court-approved plan of allocation after any objections and appeals are resolved.

9. In a class action lawsuit, the court appoints 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. In this Action, the Court has appointed Orange County Employees' Retirement System, Louisiana Sheriffs' Pension and Relief Fund, and Southeastern Pennsylvania Transportation Authority to serve as "Lead Bond/Notes Plaintiffs" under a federal law governing lawsuits such as this one, and the Court has approved Lead Bond/Notes Plaintiffs' selection of the law firms of Bernstein Litowitz Berger & Grossmann LLP, Kessler Topaz Meltzer & Check, LLP, and Robbins Geller Rudman & Dowd LLP to serve as Co-Lead Counsel in the Action. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thereby allowing for the efficient and consistent resolution of the claims of all class members in a single proceeding. Once the class is certified, the court must resolve all issues on behalf of the class members, except for any persons or entities who choose to exclude themselves from the class. (For more information on excluding yourself from the Settlement Class, please read "What If I Do Not Want To Be A Part Of The Settlements? How Do I Exclude Myself?," on page [ ] below.)

10. The court in charge of this case is the United States District Court for the Southern District of New York, and the case is known as *In re Wachovia Preferred Securities and Bond/Notes Litigation*, Master File No. 09 Civ. 6351 (RJS). The Judge presiding over this case is the Hon. Richard J. Sullivan, United States District Judge. The persons or entities that are suing are called plaintiffs, and those who are being sued are called defendants. If both the Wachovia Settlement and KPMG Settlement are approved, they will resolve all claims in the Action by Settlement Class Members against all of the Defendants, and will bring the Action to an end.

11. This Notice explains the lawsuit, the Settlements, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to so do. It is also being sent to inform you of the terms of the proposed Settlements, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlements, the proposed Plan of Allocation and the motion by Lead Bond/Notes Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing").

12. The Settlement Hearing will be held on \_\_\_\_\_, 2011 at \_\_\_\_\_.m., before the Hon. Richard J. Sullivan at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 21C, New York, NY 10007-1312, to determine:

- (a) whether the proposed Settlements are fair, reasonable and adequate, and should be approved by the Court;
- (b) whether all claims asserted in the Action against the Released Defendants should be dismissed with prejudice, and whether all Released Bond/Notes Claims against the Released Defendant Persons should be released as set forth in the Stipulation;

- (c) whether the proposed Plan of Allocation is fair and reasonable, and should be approved by the Court; and
- (d) whether Lead Bond/Notes Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved.

13. This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve each of the Settlements. If the Court approves either the Wachovia Settlement or the KPMG Settlement (or both) and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

WHAT IS THE CASE ABOUT? WHAT HAS HAPPENED SO FAR?

14. The Action is a class action alleging violations of the Securities Act of 1933 (the "Securities Act") by various persons, including the Wachovia Defendants, the Underwriter Defendants, and KPMG.

15. Beginning on December 19, 2008, three related putative class actions alleging claims under the Securities Act relating to one or more preferred stock, bonds or notes offerings issued by Wachovia and/or certain of its affiliates, beginning with *Swiskay, et al. v. Wachovia Corp., et al.*, No. 09 Civ. 6457 (S.D.N.Y.) (RJS), and followed by *Miller v. Wachovia Corp., et al.*, No. 09 Civ. 6351 (S.D.N.Y.) (RJS), and *Orange County Employees' Retirement System, et al. v. Carlson, et al.*, No. 09 Civ. 6374 (S.D.N.Y.) (RJS) (collectively, the "Bond/Notes Actions"), were filed in the Superior Court of the State of California, Alameda County (the "California Court").

16. On January 29, 2009, the California Court ordered the consolidation of the Bond/Notes Actions under the caption *In re Wachovia Preferred Securities and Bond/Notes Litigation*, No. RG 08426378, and appointed the law firms of Bernstein Litowitz Berger & Grossmann LLP ("Bernstein Litowitz"), Barroway Topaz Kessler Meltzer & Check, LLP, now known as Kessler Topaz Meltzer & Check, LLP ("Kessler Topaz"), and Coughlin Stoia Geller Rudman & Robbins, now known as Robbins Geller Rudman & Dowd LLP ("Robbins Geller"), as Co-Lead Counsel for the putative class (collectively, "Lead Bond/Notes Counsel"). The consolidated Bond/Notes Actions were thereafter removed from the California Court to the U.S. District Court for the Northern District of California, which thereafter (by Order dated June 22, 2009) transferred these matters to the U.S. District Court for the Southern District of New York (the "Court").

17. By Order dated August 20, 2009, the Court (i) consolidated the Bond/Notes Actions under the caption *In re Wachovia Preferred Securities and Bond/Notes Litigation*, Master File No. 09 Civ. 6351 (S.D.N.Y.) (RJS) (the "Bond/Notes Action" or the "Action"); (ii) appointed Orange County, Louisiana Sheriffs, and SEPTA as Co-Lead Plaintiffs in the Action, (iii) affirmed the California Court's prior appointment of Lead Bond/Notes Counsel as Co-Lead Counsel, and (iv) ordered that the Bond/Notes Action be coordinated for pre-trial purposes with certain separate actions brought solely on behalf of investors in Wachovia equity securities that were also pending before the Court (and which were captioned *In re Wachovia Equity Securities Litigation*, No. 08 Civ. 6171 (S.D.N.Y.) (RJS), *Stichting Pensioenfonds ABP, et al. v. Wachovia Corp., et al.*, 09 Civ. 04473 (S.D.N.Y.) (RJS) and *FC Holdings AB, et al. v. Wells Fargo & Co., et al.*, No. 09 Civ. 5466 (S.D.N.Y.) (RJS) (collectively, the "Equity Actions").<sup>7</sup>

18. On September 4, 2009, Lead Bond/Notes Plaintiffs filed their Consolidated Class Action Complaint (the "First Consolidated Bond/Notes Complaint"), on behalf of themselves and all persons and entities, except the Defendants and their affiliated or related persons and entities, who purchased or otherwise acquired Bond Class Securities in or traceable to publicly registered offerings (the "Offerings") conducted between July 31, 2006 and

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<sup>7</sup> The Wachovia and KPMG Settlements described in this Notice do not affect any claims that Settlement Class Members may have in their capacity as purchasers of Wachovia equity securities (common stock), including any such claims that may have been brought on their behalf in the separate Equity Actions.

May 29, 2008 (the “Offering Period”) pursuant to one of five separate shelf registration statements, which each allegedly incorporated by reference the prospectus and certain other materials for each given Offering (collectively, the “Offering Materials”), and which were filed with the Securities and Exchange Commission (“SEC”). The First Consolidated Bond/Notes Complaint asserted claims under Sections 11, 12(a)(2) and 15 of the Securities Act against (a) the Wachovia Defendants (including Wells Fargo, in its capacity as successor-in-interest to the outstanding debts and pre-merger liabilities of Wachovia (which merged with and into Wells Fargo, with Wells Fargo surviving the merger, on December 31, 2008)); (b) the Underwriter Defendants, which consist of certain non-Wachovia underwriters who underwrote all or portions of the Offerings; and (c) KPMG, Wachovia’s outside auditor which certified Wachovia’s 2006 and 2007 annual financial statements which were incorporated into the Offering Materials for a majority of the Offerings at issue.

19. On November 3, 2009, the Wachovia Defendants, the Underwriter Defendants and KPMG each filed a separate motion to dismiss the First Consolidated Bond/Notes Complaint and comprehensive briefs and numerous exhibits in support thereof. Lead Bond/Notes Plaintiffs filed their similarly comprehensive papers in opposition to these motions on December 18, 2009, and the various Defendants filed their respective reply papers on February 4, 2010.

20. Based on additional information uncovered by Lead Bond/Notes Counsel’s investigation since the filing of their initial consolidated complaint, and with the permission of the Court, on May 28, 2010 (and before the Court had ruled on the pending motions to dismiss), Lead Bond/Notes Plaintiffs and the Additional Bond Notes Plaintiffs<sup>8</sup> (collectively, the “Bond/Notes Plaintiffs”) filed their Amended Consolidated Class Action Complaint (the “Amended Bond/Notes Complaint”).

21. In their Amended Bond/Notes Complaint, Lead Bond/Notes Plaintiffs re-pled their previously asserted claims under the Securities Act against Defendants, and also supplemented their prior allegations with (among other things) the statements of numerous additional confidential witnesses. The Amended Bond/Notes Complaint alleged that the Offering Materials materially misstated and failed to disclose the true nature and quality of Wachovia’s mortgage loan portfolio, and materially misled investors as to Wachovia’s exposure to tens of billions of dollars of losses on mortgage-related assets. The Amended Bond/Notes Complaint (like its predecessor complaint) alleged that, among other things, the Offering Materials contained material misstatements – and omitted to state facts necessary to make the representations contained in the Offering Materials not materially misleading – concerning, among other things, the risk profile and quality of Wachovia’s \$120 billion Pick-A-Pay option adjustable rate residential mortgage loan portfolio (the “Pick-A-Pay Portfolio”); the nature and quality of the in-house appraisals and underwriting processes used in underwriting Wachovia’s Pick-A-Pay Portfolio; Wachovia’s publicly reported loan-to-value ratios for the Pick-A-Pay Portfolio; the adequacy of Wachovia’s reported loan loss reserves; the valuation of Wachovia’s holdings of collateralized debt obligations and subprime residential mortgage backed securities; the valuation of the goodwill that Wachovia carried as an asset on its financial statements in connection with its 2006 acquisition of Golden West Financial Corporation (whose primary asset, in turn, was the Pick-A-Pay Portfolio); Wachovia’s stated net income, total assets and Tier 1 capital; and Wachovia’s compliance with Generally Accepted Accounting Principles (“GAAP”).

22. On July 14, 2010, the Wachovia Defendants, the Underwriter Defendants and KPMG each filed a separate motion to dismiss the Amended Bond/Notes Complaint, together with their comprehensive briefs and exhibits in support thereof. Lead Bond/Notes Plaintiffs filed their consolidated papers in opposition to these motions on August 13, 2010, and the various Defendants filed reply briefs in support of their motions on September 15, 2010.

23. In November 2010, counsel for the Wachovia Defendants and counsel for Lead Bond/Notes Plaintiffs commenced a preliminary dialogue to explore the possibility of commencing settlement discussions

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<sup>8</sup> The “Additional Bond/Notes Plaintiffs” are the Hawaii Sheet Metal Workers Pension Fund, Iron Workers Locals 40, 361 & 417 Union Security Funds, Norman Levin, City of Livonia Employees’ Retirement System, Arlette Miller, Michael Swiskay, Michael Swiskay, as trustee of the Judith R. Swiskay Irrevocable Trust U/A 7/16/2007, Michael Swiskay, as trustee of the Trust U/W/O Hanan Swiskay FBO Jeffrey Swiskay, and Michael Swiskay, as trustee of the Trust U/W/O Hanan Swiskay.

under the auspices of an experienced mediator. Lead Bond/Notes Plaintiffs and the Wachovia Defendants thereafter eventually agreed to retain Judge Daniel Weinstein (ret.) (“Judge Weinstein” or the “Mediator”) to assist them in exploring a potential negotiated resolution of the claims against the Wachovia Defendants, and met and exchanged certain information under the auspices of the Mediator in March 2011 (including a two-day, face-to-face mediation session held in New York City). As a result of these discussions and separate, one-on-one communications with the Mediator, both sides concluded that enough progress and serious interest in exploring a *bona fide* and fair, reasonable and adequate settlement had been made to warrant a further set of meetings under the auspices of the Mediator to be held in April 2011. However, no settlement was reached during March 2011, as Lead Bond/Notes Plaintiffs and the Wachovia Defendants remained far apart.

24. On March 31, 2011, the Court entered its Opinion and Order on the various motions to dismiss that had been filed in both the Bond/Notes Action and in each of the separate Equity Actions. See *In re Wachovia Equity Sec. Litig.*, 753 F. Supp. 2d. 326, 2011 U.S. Dist. LEXIS 36129 (S.D.N.Y. March 31, 2011) (RJS) (the “March 31 Opinion”). The March 31 Opinion dismissed in their entirety the claims asserted in the various Equity Actions, but denied in substantial part each of the motions to dismiss the Amended Bond/Notes Complaint filed by the various Defendants in the Action.

25. On April 14, 2011, KPMG (a) filed a motion requesting that the Court reconsider its March 31 Opinion and that the Court, upon reconsideration, grant KPMG’s earlier motion to dismiss all claims asserted against it, and (b) filed a letter with the Court requesting permission to file an interlocutory (*i.e.*, immediate) appeal of the Court’s March 31 Opinion.

26. Meanwhile, also during April 2011, the Wachovia Defendants and Lead Bond/Notes Plaintiffs engaged in further separate one-on-one oral and written communications with the Mediator to discuss (among other things) their respective views on the impact of the Court’s March 31 Opinion on the Bond/Notes Action, and to determine whether continuation of their earlier settlement discussions from March was warranted and/or likely to be productive. Judge Weinstein, as Mediator, thereafter recommended that both sides meet again under his auspices in New York on April 28, 2011 to attempt to reach a settlement.

27. With the assistance of Judge Weinstein, and after face-to-face and arm’s-length negotiation, counsel for the Wachovia Defendants and Lead Bond/Notes Plaintiffs entered into a binding term sheet to settle and release all claims asserted against the Wachovia Defendants and the Underwriter Defendants (but not KPMG) for \$590 million, all cash, subject to certain terms and conditions and the execution of a customary “long form” stipulation and agreement of settlement and related papers. The settlement with the Wachovia Defendants left KPMG as the only non-settling Defendant in this Action.

28. In early May 2011, promptly after reaching their agreement to settle with the Wachovia Defendants, Lead Bond/Notes Counsel contacted KPMG’s counsel to explore the possibility of commencing settlement discussions. On May 5, 2011, counsel for both KPMG and Lead Bond/Notes Plaintiffs jointly requested, and the Court granted, a 45-day extension of all pending litigation deadlines to allow these parties a reasonable opportunity to explore possible settlement discussions. Initial settlement discussions revealed that Lead Bond/Notes Plaintiffs’ and KPMG’s settlement positions were far apart; however, rather than abandon further discussions, later that month Lead Bond/Notes Plaintiffs and KPMG agreed to retain Judge Weinstein (who had mediated the successful settlement negotiations with the Wachovia Defendants) to try to facilitate the negotiation process. Lead Bond/Notes Plaintiffs and KPMG thereafter exchanged comprehensive mediation briefs and other materials during late May and early June 2011, and participated in multiple face-to-face mediation sessions under the auspices of Judge Weinstein. Eventually, but only after the conclusion of these face-to-face and arm’s-length negotiation sessions and numerous separate one-on-one communications between the Mediator and counsel for Lead Bond/Notes Plaintiffs and KPMG, respectively, on June 28, 2011, counsel for KPMG and Lead Bond/Notes Plaintiffs entered into a binding term sheet to settle and release all claims asserted against KPMG for \$37 million (all cash) subject to certain terms and conditions and the execution of a customary “long form” stipulation and agreement of settlement and related papers.

29. Before agreeing to the Settlements, Lead Bond/Notes Counsel conducted an extensive pre-filing investigation relating to the claims and the underlying events and transactions alleged in the Amended Bond/Notes

Complaint. For example, Lead Bond/Notes Counsel (a) identified, interviewed and analyzed the statements of well over 200 confidential witnesses, (b) collected, reviewed and analyzed hundreds of SEC filings, press releases, news articles and analyst reports concerning Wachovia and the events and circumstances at issue in this Action, and (c) thoroughly researched the applicable law with respect to the claims of Bond/Notes Plaintiffs and the Settlement Class against the Settling Defendants, including the Defendants' defenses thereto. In addition, in the period immediately following the Court's denial (in substantial part) of the Defendants' respective motions to dismiss, and pursuant to Lead Bond/Notes Counsel's specific requests, the Wachovia Defendants produced to Lead Bond/Notes Counsel, and Lead Bond/Notes Counsel have undertaken the process of reviewing and analyzing, more than 9 million pages of internal Wachovia and Wells Fargo documents concerning the matters alleged in the Amended Bond/Notes Complaint. In addition, since the Courts' March 31 Opinion, the Wachovia Defendants have made available to Lead Bond/Notes Counsel, and Lead Bond/Notes Counsel have interviewed, approximately fifteen current Wells Fargo and/or Wachovia personnel (including former Wachovia personnel now employed by Wells Fargo) who have knowledge of the matters alleged in the Amended Bond/Notes Complaint. Similarly, pursuant to Lead Bond/Notes Counsel's specific requests, KPMG has produced to Lead Bond/Notes Counsel, and Lead Bond/Notes Counsel have undertaken the process of reviewing and analyzing, over 285,000 pages of internal KPMG documents (including the relevant portions of KPMG's work papers) concerning the matters alleged in the Amended Bond/Notes Complaint against KPMG. In addition, KPMG has made available to Lead Bond/Notes Counsel, and Lead Bond/Notes Counsel have interviewed (or are scheduled to interview) a number of current KPMG personnel who have knowledge of the matters alleged in the Amended Bond/Notes Complaint that are the subject of Bond/Notes Plaintiffs' claims against KPMG (including matters concerning the nature, scope and content of KPMG's annual audits of Wachovia's financial statements).

30. Based upon Lead Bond/Notes Counsel's extensive pre-filing investigatory efforts, their extensive and careful review of the applicable law, their analysis of the arguments raised by the Defendants both in the two prior rounds of motion to dismiss briefing as well as the multiple rounds of negotiating sessions held under the auspices of Judge Weinstein, and their review and analysis of the extensive post-motion to dismiss discovery that they obtained and/or conducted in this Action, Lead Bond/Notes Counsel have a thorough understanding of the strengths and weakness of the Bond/Notes Plaintiffs' and the respective Defendants' positions in the Action. Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel believe that both the Wachovia Settlement and the KPMG Settlement are fair, reasonable and adequate, and are in the best interests of the Settlement Class.

31. On August 5, 2011, the parties entered into the Stipulation setting forth the terms and conditions of the proposed Settlements. On \_\_\_\_\_, 2011, the Court entered an Order Preliminarily Approving Proposed Settlements and Providing for Notice, which preliminarily approved both Settlements, authorized this Notice be sent to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlements.

#### HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENTS?

32. If you are a member of the Settlement Class, you are subject to the Settlements, unless you timely request to be excluded. The Settlement Class consists of:

All Persons who purchased or otherwise acquired Bond Class Securities during the time period from the first date on which any of the Bond Class Securities were offered through and including February 27, 2009 ("Settlement Class Period"), and were damaged thereby.

Excluded from the Settlement Class are all Defendants in the Action and their respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any entity in which any Defendant has or had a controlling interest, and any Person who has entered into a tolling agreement in connection with this Action and his, her or its respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any

entity in which any such Person has or had a controlling interest, provided that any Investment Vehicle shall not be deemed an excluded Person by definition. Also excluded from the Settlement Class are any persons or entities who exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in the Notice. See “What if I Do Not Want to Participate in the Settlements? How Do I Exclude Myself,” on page [ ] below.

“Settlement Class Member” means a Person that is a member of the Settlement Class and does not exclude himself, herself or itself by submitting a request for exclusion in accordance with the requirements set forth in this Notice.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM EITHER OF THE SETTLEMENTS. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENTS, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN \_\_\_\_\_, 2011.**

WHAT ARE LEAD BOND/NOTES PLAINTIFFS’ REASONS FOR THE SETTLEMENTS?

33. Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel believe that the claims asserted against the Defendants in this Action have substantial merit, and that their legal advocacy and diligent factual investigation have led to Settlements that reflect an exceptionally significant recovery.

34. Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the Defendants through trial and appeals, as well as the inherent risks in establishing liability for violations of the federal securities laws. For example, certain claims relating to what the Amended Bond/Notes Complaint alleged were inaccurate statements concerning the nature and quality of the underwriting of the residential mortgages contained in Wachovia’s “Pick-A-Pay” loan portfolio were found to be not actionable as a matter of law by the Court’s March 31 Opinion, and the impact of this aspect of the Court’s ruling on Lead Bond/Notes Plaintiffs’ claims was uncertain. Similarly, KPMG had filed a motion to reconsider and/or for immediate appeal on issues relating to the actionability of certain other statements, including whether inaccurate statements concerning a company’s loan loss reserves and certain asset valuations are “opinions” for which there is no liability unless the Defendants did not actually believe in the truth of those statements. If this view had prevailed, either on reconsideration by the Court or on appeal, it would have greatly increased the risk that Lead Bond/Notes Plaintiffs would have been unable to establish liability on their core claims as to either KPMG or the Wachovia Defendants. In addition, Lead Bond/Notes Plaintiffs’ proofs (and the Defendants’ responses thereto) on the types of complex accounting and valuation issues at issue in this case would have inevitability boiled down to a “battle of the experts.” Although Lead Bond/Notes Plaintiffs were confident that they would have been able to support their claims with qualified and persuasive expert testimony, jury reactions to competing experts are inherently difficult to predict, and the Defendants would have almost certainly retained highly experienced experts to argue their various defenses to liability, including their arguments that they made timely disclosures in their successive Offering Materials as soon as they became aware of additional information relating to (among other things) expected losses in the Pick-A-Pay portfolio and the declining value of Wachovia’s CDO holdings.

35. In addition, even if the Defendants’ liability could otherwise be established, Lead Bond/Notes Plaintiffs faced serious arguments by the Defendants that any losses suffered by Settlement Class Members on their investments in Bond Class Securities were attributable to factors other than the alleged wrongdoing. For example, the Defendants argued that any losses suffered by Settlement Class Members here were caused primarily – if not entirely – by the “financial tsunami” and related financial and liquidity crisis of 2008, and not by any

alleged misrepresentations concerning Wachovia's Pick-A-Pay portfolio or the other matters alleged in the Amended Bond/Notes Complaint. As with contested liability issues, issues relating to loss causation and damages would also have likely come down to an inherently unpredictable and hotly disputed "battle of the experts." Accordingly, even if liability were established, there was a real risk that, after a trial of the Action, the Settlement Class would have recovered an amount significantly less than the Settlement Amounts – or even nothing at all.

36. In agreeing to the terms of each Settlement, Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel weighed the magnitude of the benefits (totaling \$627,000,000) against the risks that the claims asserted in the Amended Bond/Notes Complaint might have been dismissed (either in whole or in substantial part) upon reconsideration by the Court, or upon interlocutory appellate review, or following completion of discovery in response to the Defendants' anticipated motions for summary judgment. They have also considered the nature of the various issues that would have been decided by a jury in the event of a trial of the Action, including all of the risks of litigation discussed above.

37. Finally, Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel have also considered the fact that any recoveries obtained from a favorable verdict after a trial would still be in jeopardy on appeal, and, even if a favorable verdict were ultimately sustained on appeal, it would likely take additional years before the case was finally resolved, absent a settlement.

38. In light of the amount of the Wachovia Settlement, the KPMG Settlement and the Settlements as a whole, and the benefits of immediate and certain recovery to the Settlement Class as compared to the risks and uncertainties of ever obtaining a superior recovery at some indeterminate date in the future, Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel strongly believe that each of the proposed Settlements is fair, reasonable, adequate, and in the best interests of the Settlement Class. Indeed, they respectfully submit that the Settlements achieved represent a truly outstanding result for the Settlement Class.

39. The Defendants have vigorously denied the claims asserted against them in the Bond/Notes Action and vigorously deny having engaged in any wrongdoing or violation of law of any kind whatsoever. The Settling Defendants state that they have agreed to enter into their respective Settlements solely to eliminate the burden and expense of continued litigation, and the Stipulation they have agreed to provides that the Settlements shall not be construed as an admission of any wrongdoing by any of the Settling Defendants, any of the other Released Defendant Persons, or counsel for the Settling Defendants.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENTS?

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

HOW MUCH WILL MY PAYMENT BE?

41. At this time, it is not possible to make any determination as to how much a Settlement Class Member may receive from the Settlements.

42. Pursuant to the Wachovia Settlement, the Wachovia Defendants have agreed to pay \$590 million in cash, and pursuant to the KPMG Settlement, KPMG has agreed to pay \$37 million in cash, for an aggregate total of \$627 million. The Settlement Amounts will be deposited into an interest-bearing escrow account. If only the Wachovia Settlement is approved, the "Settlement Fund" will consist of the Wachovia Settlement Amount plus interest earned thereon. If only the KPMG Settlement is approved, the "Settlement Fund" will consist of the

KPMG Settlement Amount plus interest earned thereon. If both are approved, the “Settlement Fund” will consist of both Settlement Amounts plus interest earned thereon. If either the Wachovia Settlement, KPMG Settlement or both are approved by the 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 Settlement Class Members and administering the Settlements on behalf of Settlement Class Members; and (c) any attorneys’ fees and expenses awarded by the Court) will be distributed to Settlement Class Members as set forth in the proposed Plan of Allocation or such other plan as the Court may approve.

43. After approval of the Settlements by the Court and upon satisfaction of the other conditions to the Settlements, the Net Settlement Fund will be distributed to Authorized Claimants in accordance with the plan of allocation approved by the Court. The Net Settlement Fund will not be distributed until the 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.

44. Neither the Defendants nor any other person or entity that paid any portion of the Settlement Amounts on any of their behalves are entitled to get back any portion of the Settlement Fund once the Court’s Order or Judgment approving the relevant Settlement becomes Final. The Defendants shall not have any liability, obligation or responsibility for the administration of the Settlements or disbursement of the Net Settlement Fund or the Plan of Allocation.

45. Approval of the Settlements is independent from approval of the plan of allocation. Any determination with respect to the plan of allocation will not affect the Settlements, if approved.

46. Only those Settlement Class Members who purchased or otherwise acquired Bond Class Securities during the Settlement Class Period **AND WERE DAMAGED AS A RESULT OF SUCH PURCHASES OR ACQUISITIONS**, will be eligible to share in the distribution of the Net Settlement Fund. Each person or entity wishing to participate in the distribution must timely submit a valid Claim Form establishing membership in the Settlement Class, and including all required documentation, postmarked on or before \_\_\_\_\_, 2011 to the address set forth in the Claim Form that accompanies this Notice.

47. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before \_\_\_\_\_, 2011 shall be forever barred from receiving payments pursuant to the Settlements but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation and each Settlement that is approved, including the terms of any judgments entered and releases given. This means that each Settlement Class Member releases the Released Bond/Notes Claims (as defined in paragraph 74 below) against the applicable Released Defendant Persons (as defined in paragraph 74 below) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Bond/Notes Claims against any of the applicable Released Defendant Persons regardless of whether or not such Settlement Class Member submits a Claim Form.

48. *Information Required on the Claim Form:* Among other things, each Claim Form must state and provide sufficient documentation for each Claimant’s transactions in Bond Class Securities during the Settlement Class Period and their closing positions on the dates specified in the Claim Form.

49. [IF APPLICABLE: Participants and beneficiaries in the [INSERT NAMES OF WACHOVIA PLAN[S]] (the “Wachovia ERISA Plan[s]”) should not include any information relating to their transactions within the Plan[s] in any Claim Form that they may submit in this Action. Claims based on any Wachovia ERISA Plan[s]’ purchases of Bond Class Securities during the Settlement Class Period may be made by the Plan[s]’ trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in the Plan[s], such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from these Settlements by any Wachovia ERISA Plan[s].

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

51. Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Southern District of New York with respect to his, her or its Claim Form.

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

### PROPOSED PLAN OF ALLOCATION

53. The objective of the Plan of Allocation is to equitably distribute the settlement proceeds to those Settlement Class Members who suffered losses as a result of the conducted alleged in the Amended Bond/Notes Complaint. The calculations made pursuant to the Plan of Allocation, which has been developed by Lead Bond/Notes Plaintiffs' damages expert, are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Settlement Class Members pursuant to the Settlements. The computations under the Plan of Allocation are only a method to weigh the claims of Settlement Class Members against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

54. Pursuant to the Wachovia Settlement, the Wachovia Defendants have agreed to pay or caused to be paid the Wachovia Settlement Amount of \$590 million and, pursuant to the KPMG Settlement, KPMG has agreed to pay or cause to be paid the KPMG Settlement Amount of \$37 million. The claims asserted against the Wachovia Defendants relate to each of the public offerings of Bond Class Securities that occurred during the Settlement Class Period (the "Offerings"). In contrast, the claims asserted against KPMG relate only to that subset of the Offerings that incorporated Wachovia's KPMG-audited financial statements for the years ended December 31, 2006 and/or December 31, 2007. Therefore, only those Settlement Class Members who purchased or otherwise acquired Bond Class Securities that were first offered to the public on or after April 23, 2007 (the "KPMG Bond Class Securities")<sup>9</sup> will be eligible to participate in the distribution of the portion of the Net Settlement Fund created by the KPMG Settlement.

55. Consistent with the foregoing, and as detailed below, the Net Settlement Fund will be allocated as follows: the portion of the Net Settlement Fund created by the Wachovia Settlement (the "Wachovia Fund") will be distributed on a *pro rata* basis to all eligible Authorized Claimants based on net recognized losses calculated on their Settlement Class Period purchases/acquisitions of all of the Bond Class Securities, while the portion of the Net Settlement Fund created by the KPMG Settlement (the "KPMG Fund") will be distributed on a *pro rata* basis to all eligible Authorized Claimants based on net recognized losses their Settlement Class Period purchases/acquisitions, if any, of the KPMG Bond Class Securities.<sup>10</sup>

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<sup>9</sup> The KPMG Bond Class Securities are a subset of the Bond Class Securities, and consist of (A) the following Wachovia-issued preferred securities: 6.375% Wachovia Capital Trust IX Trust Preferred Securities (CUSIP 92978X201); 7.85% Wachovia Capital Trust X Trust Preferred Securities (CUSIP 92979K208); Wachovia 8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J (CUSIP 929903276); Wachovia Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K (CUSIP 929903EF); and Wachovia 7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L (CUSIP 929903219), together with (B) the following Wachovia-issued notes: Three-Month LIBOR Floating Rate Notes Due April 23, 2012 (CUSIP 929903DF6); Three-Month LIBOR Floating Rate Notes Due June 15, 2017 (CUSIP 929903DU3); 5.75% Notes Due June 15, 2017 (CUSIP 929903DT6); Three-Month LIBOR Floating Rate Notes Due July 26, 2010 (CUSIP 92976WBD7); Three-Month LIBOR Floating Rate Notes Due August 20, 2009 (CUSIP 929903EC2); 5.70% Notes Due August 1, 2013 (CUSIP 92976WBA3); Three-Month LIBOR Floating Rate Notes Due November 24, 2009 (CUSIP 92976WBG0); 5.75% Notes due February 1, 2018 (CUSIP 92976WBH8); 5.50% Fixed Rate Notes Due May 1, 2013 (CUSIP 92976WBJ4); and Three Month LIBOR Floating Rate Notes due May 1, 2013 (CUSIP 92976WBK1).

<sup>10</sup> The 5.70% Notes Due August 1, 2013 were offered to the public pursuant to two Settlement Class Period offerings: the initial offering on July 31, 2006 (as to which claims were not asserted KPMG) and a substantially smaller supplemental offering on November 14, 2007 (as to which claims were asserted against KPMG). To be eligible for a distribution from the

**CALCUATION OF SPECIFIC RECOGNIZED LOSS OR GAIN AMOUNTS**

56. A “Recognized Loss Amount” or “Recognized Gain Amount” will be calculated as set forth below for each purchase or other acquisition of the Bond Class Securities during the Settlement Class Period (*i.e.*, from the first day on which the security was offered for sale to the public through and including February 27, 2009) that is listed in the Claim Form and for which adequate documentation is provided. The calculation of Recognized Loss or Gain Amounts will depend upon several factors, including (i) which Bond Class Securities were purchased or otherwise acquired, and in what amounts; (ii) when the Bond Class Securities were purchased or otherwise acquired; and (iii) whether the securities were sold, and if so, when they were sold, and in what amounts.

57. **Wachovia 8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J (“Series J”), Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K (“Series K), and Wachovia 7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L (“Series L”):** For each share of Wachovia Series J, Series K or Series L Preferred Stock purchased or otherwise acquired during the time period from the initial offering of the security through and including the close of trading on December 31, 2008,<sup>11</sup> and:

- (a) Sold at a loss<sup>12</sup> prior to the close of trading on December 31, 2008, a Recognized Loss Amount shall be calculated, which shall be *the lesser of*:
  - (x) the purchase/acquisition price *minus* the sale price; or
  - (y) the issue price (the “Issue Price”) of the security as set forth on Table A attached to this Notice (“Table A”) *minus* the sale price, but in no event shall the Recognized Loss Amount under this subparagraph (y) be less than zero.
- (b) Sold for a gain<sup>13</sup> prior to the close of trading on December 31, 2008, a Recognized Gain Amount shall be calculated, which shall be the sale price *minus* the purchase/acquisition price.
- (c) Held as of the close of trading on December 31, 2008 and converted into shares of Wells Fargo Series J, Series K or Series L Preferred Stock, a Recognized Loss or Recognized Gain Amount shall be calculated as follows:
  - (i) if sold at a loss prior to the close of trading on January 21, 2009, a Recognized Loss Amount shall be calculated, which shall be *the lesser of*:
    - (x) the purchase/acquisition price *minus* the sale price of the converted shares; or
    - (y) the Issue Price of the security as set forth on Table A *minus* the sale price of the converted shares, but in no event shall the Recognized Loss Amount

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KPMG Fund, a purchase/acquisition of the 5.70% Notes Due August 1, 2013 must have occurred on or within seven days following the November 14, 2007 supplemental offering date (*i.e.*, during the period from November 14, 2007 through and including the close of trading on November 21, 2007).

<sup>11</sup> On December 31, 2008, all shares of Wachovia Series J, Series K and Series L Preferred Stock were converted into shares of Wells Fargo Series J, Series K and Series L Preferred Stock, respectively. Under the Plan of Allocation, no Recognized Loss or Recognized Gain Amounts shall be recognized or calculated with respect to any purchase/acquisition of the Series J, K or L Preferred Stock made on or after the close of trading on the December 31, 2008 conversion date, nor shall the December 31, 2008 conversion be considered a purchase/acquisition or sale.

<sup>12</sup> “Sold at a loss” means the purchase/acquisition price is greater than the sale price.

<sup>13</sup> “Sold for a gain” means the purchase/acquisition price is less than or equal to the sale price.

under this subparagraph (y) be less than zero.

- (ii) if sold for a gain prior to the close of trading on January 21, 2009, a Recognized Gain Amount shall be calculated, which shall be the sale price of the converted shares *minus* the purchase/acquisition price.
- (iii) if sold at a loss during the time period from the close of trading on January 21, 2009 through and including the close of trading on August 4, 2011, a Recognized Loss Amount shall be calculated, which shall be *the lesser of*:
  - (x) the purchase/acquisition price *minus* the greater of (i) the sale price or (ii) the closing price of the security on January 21, 2009 as set forth on Table A; or
  - (y) the Issue Price of the security as set forth on Table A *minus* the greater of (i) the sale price or (ii) the closing price of the security on January 21, 2009 as set forth on Table A, but in no event shall the Recognized Loss Amount be less than zero.
- (iv) if sold at a gain during the time period from the close of trading on January 21, 2009 through and including the close of trading on August 4, 2011, a Recognized Gain Amount shall be calculated, which shall be the sale price *minus* the purchase/acquisition price.
- (v) if held as of the close of trading on August 4, 2011, and the purchase/acquisition price is greater than the closing price of the converted security on January 21, 2009, a Recognized Loss Amount shall be calculated as *the lesser of*:
  - (x) the purchase/acquisition price *minus* the closing price of the converted security on January 21, 2009 as set forth on Table A; or
  - (y) the Issue Price of the security as set forth on Table A *minus* the closing price of the converted security on January 21, 2009 as set forth on Table A, but in no event shall the Recognized Loss Amount under this subparagraph (y) be less than zero.
- (vi) if held as of the close of trading on August 4, 2011, and the purchase/acquisition price is less than or equal to the closing price of the converted security on January 21, 2009, a Recognized Gain Amount shall be calculated, which shall be the closing price of the converted security on January 21, 2009 *minus* the purchase/acquisition price.

58. **Bond Class Securities other than Series J, Series K and Series L Preferred Stock:** For each Bond Class Security purchased or otherwise acquired during the time period from the initial offering of the security<sup>14</sup> through and including the close of trading on February 27, 2009, and:

- (a) Sold at a loss prior to the close of trading on January 21, 2009, the Recognized Loss Amount shall be *the lesser of*:
  - (x) the purchase/acquisition price *minus* the sale price; or

<sup>14</sup> For Wachovia preferred stock, each “security” (lower case) is one share of preferred stock. For Wachovia notes, each “security” is a note with \$1,000 face value.

- (y) the Issue Price<sup>15</sup> of the security as set forth on Table A *minus* the sale price, but in no event shall the Recognized Loss Amount under this subparagraph (y) be less than zero.
- (b) Sold for a gain prior to the close of trading on January 21, 2009, a Recognized Gain Amount shall be calculated, which shall be the sale price *minus* the purchase/acquisition price.
- (c) Sold at a loss during the time period from the close of trading on January 21, 2009 through and including the close of trading on August 4, 2011, a Recognized Loss Amount shall be calculated, which shall be *the lesser of*:
  - (x) the purchase/acquisition price *minus* the greater of (i) the sale price or (ii) the closing price of the security on January 21, 2009 as set forth on Table A; or
  - (y) the Issue Price<sup>16</sup> of the security as set forth on Table A *minus* the greater of (i) the sale price or (ii) the closing price of the security on January 21, 2009 as set forth on Table A, but in no event shall the Recognized Loss Amount be less than zero.
- (d) Sold for a gain during the time period from the close of trading on January 21, 2009 through and including the close of trading on August 4, 2011, a Recognized Gain Amount shall be calculated, which shall be the sale price *minus* the purchase/acquisition price.
- (e) Held as of the close of trading on August 4, 2011, and the purchase/acquisition price is greater than the closing price of the security on January 21, 2009, a Recognized Loss Amount shall be calculated, which shall be *the lesser of*:
  - (x) the purchase/acquisition price *minus* the closing price of the security on January 21, 2009 as set forth on Table A; or

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<sup>15</sup> Certain Bond Class Securities were issued pursuant to multiple offerings during the Settlement Class Period. For the 5.70% Notes Due August 1, 2013 (CUSIP 92976WBA3), Three-Month LIBOR Floating Rate Notes Due October 15, 2011 (CUSIP 929903CG5), 5.30% Notes Due October 15, 2011 (CUSIP 929903CF7), Three-Month LIBOR Floating Rate Notes Due April 23, 2012 (CUSIP 929903DF6), and 5.50% Fixed Rate Notes Due May 1, 2013 (CUSIP 92976WBJ4) – this had multiple offerings on same day each of which was issued pursuant to an initial offering and one supplemental offering during the Settlement Class Period, the Issue Price shall be determined as follows: (xx) for purchases/acquisitions that occurred prior to the supplemental offering date, the Issue Price shall be the offering price of the initial offering (or “initial offering price”), as shown on Table A; (yy) for purchases/acquisitions that occurred on or within seven days following the supplemental offering date, the Issue Price shall be the offering price of the supplemental offering (the “supplemental offering price”), as shown on Table A; and (zz) for purchases/acquisitions that occurred after the seven day period following the supplemental offering date, the Issue Price shall be the weighted average offering price of the initial offering price and the supplemental offering price, as shown on Table A. For the Wachovia 5.75% Notes Due June 15, 2017 (CUSIP 929903DT6), which was issued pursuant to an initial offering and two supplemental offerings during the Settlement Class Period, the applicable Issue Price shall be determined as follows: (aa) for purchases/acquisitions that occurred prior to the first supplemental offering date, the Issue Price shall be the offering price of the initial offering, as shown on Table A; (bb) for purchases/acquisitions that occurred on or within seven days following either the first or second supplemental offering date, the Issue Price shall be offering price of the applicable supplemental offering, as shown on Table A; and (cc) for purchases/acquisitions that occurred after the seven day period following the first supplemental offering date but prior to the second supplemental offering date, the Issue Price shall be the weighted average offering price of the initial offering price and the first supplemental offering price, as shown on Table A, and (dd) for purchases/acquisitions that occurred after the seven day period following the second supplemental offering date, the Issue Price shall be the weighted average offering price of the initial offering price, the first supplemental offering price, and the second supplemental offering price, as shown on Table A.

<sup>16</sup> The Issue Price shall be determined in accordance with footnote 15 above.

- (y) the Issue Price<sup>17</sup> of the security as set forth on Table A *minus* the closing price of the security on January 21, 2009 as set forth on Table A, but in no event shall the Recognized Loss Amount be less than zero.
- (f) Held as of the close of trading on August 4, 2011, and the purchase/acquisition price is less than or equal to the closing price of the security on January 21, 2009, a Recognized Gain Amount shall be calculated, which shall be the closing price of the security on January 21, 2009 *minus* the purchase/acquisition price.

59. Any Recognized Loss or Gain Amounts calculated based on purchases/acquisitions of Bond Class Securities made on or after September 29, 2008 – the date on which it was publicly announced that the federal government had brokered a proposed agreement under which Wachovia would be sold to Citigroup for \$1 per share and the government would guarantee Wachovia loan losses to the extent they exceeded \$42 billion – shall be discounted by 90% to reflect that Settlement Class Members who purchased/acquired these securities subsequent to that announcement were likely no longer relying on any alleged misstatements and omissions in the Offering Materials at issue in this matter. In addition, any Recognized Loss or Gain Amounts resulting from purchases/acquisitions of any of the Bond Class Securities that were required to be dismissed from the Action by the Court based on its March 31, 2011 Opinion (*i.e.*, the Three-Month LIBOR Floating Rate Notes due August 1, 2013 (CUSIP 92976WBB), Three-Month LIBOR Floating Rate Notes Due October 15, 2011 (CUSIP 929903CG5), the Three-Month LIBOR Floating Rate Subordinated Notes due October 15, 2016 (CUSIP 929903CJ9), 5.75% Notes Due June 15, 2017 (CUSIP 929903DU3), Three-Month LIBOR Floating Rate Notes Due July 26, 2010 (CUSIP 92976WBD7), Three-Month LIBOR Floating Rate Notes due August 20, 2009 (CUSIP 929903EC2), and Three-Month LIBOR Floating Rate Notes Due November 24, 2009 (CUSIP 92976WBG0)), shall be discounted by 50% to reflect the difficulty that Bond/Notes Plaintiffs would have faced in obtaining a reversal of the relevant portion of Court’s March 31, 2010 Opinion (and in obtaining any recovery from the Defendants with respect to these securities) had the litigation continued against the Defendants.<sup>18</sup>

60. For purposes of allocating the Wachovia Fund, for each Claimant, a “Wachovia Recognized Loss” or “Wachovia Recognized Gain” will be calculated by (1) totaling all Recognized Loss Amounts resulting from his, her or its purchases/acquisitions of the Bond Class Securities during the Settlement Class Period, and (2) subtracting from that amount the total of all Recognized Gain Amounts resulting from his, her or its purchases/acquisitions of the Bond Class Securities during the Settlement Class Period. If the calculation from the preceding sentence results in a positive number, that figure will be the Claimant’s “Wachovia Recognized Loss”; if, however, the calculation results in a negative number (or zero), that figure will be the Claimant’s “Wachovia Recognized Gain”. If a Claimant has a Wachovia Recognized Loss, that loss amount will be used to determine the Claimant’s *pro rata* share of the Wachovia Fund in accordance with paragraph 64 below; if, however, a Claimant has a Wachovia Recognized Gain, then the Claimant will not be eligible to recover from the Wachovia Fund.

61. Similarly, for purposes of allocating the KPMG Fund, for each Claimant that purchased/acquired KPMG Bond Class Securities during the Settlement Class Period, a “KPMG Recognized Loss” or “KPMG Recognized Gain” will be calculated by (1) totaling all Recognized Loss Amounts resulting from his, her or its purchases/acquisitions of the KPMG Bond Class Securities during the Settlement Class Period, and (2) subtracting from that amount the total of all Recognized Gain Amounts resulting from his, her or its purchases/acquisitions of the KPMG Bond Class Securities during the Settlement Class Period. If the calculation from the preceding

<sup>17</sup> The Issue Price shall be determined in accordance with footnote 15 above.

<sup>18</sup> The 50% discount applicable to purchases/acquisitions of the Bond Class Securities that were required to be dismissed from the Action under the Court’s prior March 31, 2011 Opinion shall apply in addition to the 90% discount for purchases/acquisitions occurring on or after September 29, 2008 (the date of the announcement that the federal government had brokered a proposed agreement under which Wachovia would be sold to Citigroup for \$1 per share); accordingly, purchases/acquisitions that fall under both these categories shall be discounted by 95%.

sentence results in a positive number, that figure will be the Claimant's "KPMG Recognized Loss"; if, however, the calculation results in a negative number (or zero), that figure will be the Claimant's "KPMG Recognized Gain." If a Claimant has a KPMG Recognized Loss, that loss amount will be used to determine the Claimant's *pro rata* share of the KPMG Fund in accordance with paragraph 64 below; if, however, a Claimant has a KPMG Recognized Gain, then the Claimant will not be eligible to recover from the KPMG Fund.

62. Alternatively – to avoid penalizing Claimants that would have suffered a greater net loss, or a net loss instead of a net gain, had the Settlement Class Period ended as of the close of trading on September 28, 2008 – if a Claimant's combined Wachovia Recognized Loss and KPMG Recognized Loss (or net combined loss after netting any Recognized Wachovia Gain against a KPMG Recognized Loss, or after netting any Recognized KPMG Gain against a Wachovia Recognized Loss) would be greater if they were both calculated without taking into consideration any gains or losses on purchases/acquisitions of Bond Class Securities that were made after the close of trading on September 28, 2008, then that Claimant's Recognized Loss and Recognized Gain Amounts shall be calculated using the methodology set forth in ¶¶ 56-61 above but without considering any gains or losses on any such post-September 28, 2008 purchases/acquisitions.

### **ADDITIONAL PROVISIONS**

63. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined below in paragraph 65 below) is \$10.00 or greater.

64. If the sum total of the Wachovia Losses of all Authorized Claimants is greater than the Wachovia Fund, each Authorized Claimant shall receive a *pro rata* share of the Wachovia Fund, which shall be the Authorized Claimant's Wachovia Loss divided by the total of all Wachovia Losses, multiplied by the total amount in the Wachovia Fund. Likewise, if the sum total of the KPMG Losses of all Authorized Claimants is greater than the KPMG Fund, each Authorized Claimant with a KPMG Loss shall receive a *pro rata* share of the KPMG Fund, which shall be the Authorized Claimant's KPMG Loss divided by the total of all KPMG Losses, multiplied by the total amount in the KPMG Fund.

65. The Distribution Amount paid to an Authorized Claimant will be the sum of (i) his, her or its *pro rata* share of the Wachovia Fund; and (ii) his, her or its *pro rata* share, if any, of the KPMG Fund. If an Authorized Claimant's Distribution Amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

66. If a Class Member has more than one purchase/acquisition or sale of Bond Class Securities during the Settlement Class Period, all purchases/acquisitions and sales of like securities shall be matched on a First In, First Out ("FIFO") basis, such that sales will be matched against purchases/acquisitions of the same security in chronological order, beginning with the earliest purchase/acquisition made during the Settlement Class Period. With respect to the Series J, K and L Preferred Stock securities (which were converted to Wells Fargo securities on the December 31, 2008 conversion date), each such security shall be deemed to be the same (or "like") security as its respective predecessor or successor security, and the conversion shall not be deemed as converting them into "different" securities.

67. Purchases or acquisitions and sales of Bond Class Securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of Bond Class Securities during the Settlement Class Period shall not be deemed a purchase, acquisition or sale of Bond Class Securities for the calculation of an Authorized Claimant's Recognized Loss or Gain Amounts, nor shall such receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of any Bond Class Securities unless (i) the donor or decedent purchased or otherwise acquired such Bond Class Securities during the Settlement Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Bond Class Securities; and (iii) it is specifically so provided in the instrument of gift or assignment.

68. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of Bond Class Securities. The date of a “short sale” is deemed to be the date of sale of Bond Class Securities. Under the Plan of Allocation, however, the Wachovia Loss and KPMG Loss, if any, on all “short sales” is zero. In the event that there is an opening short position in any Bond Class Security, the earliest Settlement Class Period purchases of like security shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

69. Option contracts are not securities eligible to participate in the Settlements. With respect to Bond Class Securities purchased or sold through the exercise of an option, the purchase/sale date of the Bond Class Security is the exercise date of the option and the purchase/sale price of the Bond Class Security is the exercise price of the option.

70. If any funds remain in the Net Settlement Fund because of uncashed distributions or other reasons, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distribution checks, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be redistributed to Authorized Claimants who have cashed their initial distribution and who would receive at least \$10.00 from such redistribution, after payment of any unpaid costs or fees incurred in administering the funds, including for such redistribution. Additional redistributions to Authorized Claimants who have cashed their prior distribution checks and who would receive at least \$10.00 on such additional redistributions, subject to the conditions previously noted, may occur thereafter if Lead Bond/Notes Counsel, in consultation with the Claims Administrator, determines that additional redistribution, after the deduction of any additional fees and expenses that would be incurred with respect to such redistributions, is cost-effective. At such time as it is determined that the redistribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance of the Net Settlement Fund shall be contributed to non-sectarian, not-for-profit organizations designated by Lead Bond/Notes Counsel.

71. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Bond/Notes Plaintiffs, Bond/Notes Plaintiffs’ Counsel, Settling Defendants and their respective counsel or any of the other Released Defendant Persons, or the Claims Administrator or other agent designated by Lead Bond/Notes Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Bond/Notes Plaintiffs, the Settling Defendants and their respective counsel, and all other Released Defendant Persons shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any Claim 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.

72. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel after consultation with their experts. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the settlement website, [www.\\_\\_\\_\\_\\_.com](http://www._____.com).

WHAT RIGHTS AM I GIVING UP BY REMAINING IN THE SETTLEMENT CLASS?

73. If you remain in the Settlement Class, you will be bound by any orders issued by the Court. For example, if the Wachovia Settlement, the KPMG Settlement or both are approved, the Court will enter a judgment (the “Judgment”). For each Settlement that is approved, the Judgment will dismiss with prejudice the claims against the applicable Defendants and will provide that, upon the Effective Date of each such Settlement, Lead

Bond/Notes Plaintiffs, Additional Bond/Notes Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, their heirs, executors, administrators, predecessors, successors, affiliates and assigns shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed each and every Released Bond/Notes Claim (as defined in paragraph 74 below) as against all of the applicable Released Defendant Persons (as defined in paragraph 74 below), and shall forever be enjoined from prosecuting any or all of the Released Bond/Notes Claims against any of the applicable Released Defendant Persons (provided, however, that the releases provided for in the Judgment shall not apply to any Person who validly opts-out of the Settlement Class and nothing in the Stipulation shall preclude any Person from opting out of the Settlement Class in accordance with the instructions set forth in paragraph 82 below).

74. As described in more detail below, the Released Bond/Notes Claims are any and all claims that (a) were asserted in the Action; or (b) could have been asserted in the Action relating to the allegations in the Amended Bond/Notes Complaint and that arise out of the purchase or other acquisition of the Bond Class Securities during the Settlement Class Period.

**“Released Bond/Notes Claims”** means any and all claims and any and all causes of action of every nature and description, including both known claims and Unknown Claims, whether based on federal, state, local or foreign statutory law or common law, rule or regulation, whether fixed or contingent, foreseen or unforeseen, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, existing now or to be created in the future, whether direct, representative, class or individual in nature, that Lead Bond/Notes Plaintiffs or any other member of the Settlement Class (a) asserted in the Bond/Notes Action, or (b) could have asserted in any forum that arise out of, are based upon or are related to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Amended Bond/Notes Complaint and that arise out of or are based upon the purchase or other acquisition or sale of the Bond Class Securities during the Settlement Class Period.<sup>19</sup>

**“Unknown Claims”** means any Released Bond/Notes Claims which Lead Bond/Notes Plaintiffs or any other 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 Defendant Persons, and any Released Defendant Persons’ Claims which any Released Defendant Person does not know or suspect to exist in his, her, or its favor at the time of the release of the Bond/Notes Plaintiff-Related Releasees, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to the applicable Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that,

(i) upon the Effective Date as to the Wachovia Settlement, Lead Bond/Notes Plaintiffs and each of the Wachovia Defendants shall expressly waive, and each of the other Settlement Class Members and each of the other Wachovia Releasees shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, and

(ii) upon the Effective Date as to the KPMG Settlement, Lead Bond/Notes Plaintiffs and each of the KPMG shall expressly waive, and each of the other Settlement Class Members and each of the other KPMG Releasees, shall be deemed to have waived, and by operation of the Judgment shall have expressly waived,

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<sup>19</sup> Released Bond/Notes Claims do not include, release, bar waive, impair or otherwise impact (i) any claims asserted in the actions styled *In re Wachovia Equity Securities Litigation*, No. 08 Civ. 6171 (RJS), *Stichting Pensioenfonds ABP, et al. v. Wachovia Corp., et al.*, 09 Civ. 04473 (RJS), and *FC Holdings AB, et al. v. Wells Fargo & Co., et al.*, No. 09 Civ. 5466 (RJS); or (ii) any claims of any Settlement Class Member against any Non-Settling Defendants. Additionally, Released Bond/Notes Claims do not include claims relating to the enforcement of the Settlements and do not include any claims against any Underwriter Defendant that does not provide to Lead Bond/Notes Counsel a signed Underwriter Defendant Release by the date that is five (5) business days prior to the date of the Settlement Hearing.

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 or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Bond/Notes Plaintiffs and each of the Wachovia Defendants acknowledge, and each of the other Settlement Class Members and each of the other Wachovia Releasees shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Wachovia Settlement; and Lead Bond/Notes Plaintiffs and KPMG acknowledge, and each of the other Settlement Class Members and each of the other KPMG Releasees shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the KPMG Settlement.

**“Released Defendant Persons”** means, with respect to the Wachovia Settlement, the “Wachovia Releasees” (as defined below), and with respect to the KPMG Settlement, the “KPMG Releasees” (as defined below).

**“Wachovia Releasees”** means the Wachovia Defendants and the Underwriter Defendants, their respective present and former direct and/or indirect parents, subsidiaries, divisions and affiliates and their respective present and former employees, members, partners, principals, Section 16 Officers, directors, agents, attorneys, advisors, administrators, representatives, accountants, auditors, insurers, and agents; the predecessors, successors, estates, heirs, executors, trusts, trustees, administrators, and assigns of each of them, in their capacity as such; and any firm, trust, corporation or other entity in which any Wachovia Defendant or Underwriter Defendant has or had a controlling interest, and the Immediate Family members of the Individual Defendants. The term Wachovia Releasees, however, shall not include any Underwriter Defendant which does not provide to Lead Bond/Notes Counsel a signed Underwriter Defendant Release by the date that is five (5) business days prior to the date of the Settlement Hearing; in such cases, any such Underwriter Defendant(s) and their respective related Persons shall not be a Wachovia Releasee under the terms of the Stipulation or otherwise be entitled to any of the rights and benefits of the Stipulation, including, without limitation, the Releases provided for therein. In addition, and notwithstanding the foregoing, Wachovia Releasees also do not include any of the KPMG Releasees.

**“KPMG Releasees”** means KPMG and its present and former parents, subsidiaries, divisions and affiliates and their respective present and former employees, members, partners, principals, Section 16 Officers, directors, agents, attorneys, advisors, administrators, representatives, accountants, auditors, insurers, and agents; the predecessors, successors, estates, heirs, executors, administrators, and assigns of each of them in their capacity as such, and any firm, trust, corporation, or other entity in which KPMG has or had a controlling interest. Notwithstanding the foregoing, KPMG Releasees do not include any of the Wachovia Releasees.

75. The Judgment will also provide that, upon the Effective Date of each Settlement that is approved by the Court, each of the applicable Defendant(s) and each of the other applicable Released Defendant Persons on behalf of themselves, their heirs, executors, administrators, predecessors, successors, affiliates and assigns, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed any and all claims and any and all causes of action of every nature and description, including both known claims and Unknown Claims, whether

based on federal, state, local or foreign statutory law or common law, rule or regulation, whether fixed or contingent, foreseen or unforeseen, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, existing now or to be created in the future, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims by Lead Bond/Notes Plaintiffs, the Settlement Class and their counsel, including Lead Bond/Notes Counsel, against the applicable Defendant(s) and the other applicable Releasees, except for claims relating to the enforcement of the applicable Settlement, and shall forever be enjoined from prosecuting any such claims against Bond/Notes Plaintiffs and all other Settlement Class Members, and Bond/Notes Plaintiffs' Counsel and each of their heirs, executors, administrators, predecessors, successors and assigns (the "Bond/Notes Plaintiff-Related Releasees") (provided, however, that the releases provided for in the Judgment shall not apply to any Person who validly opts-out of the Settlement Class and nothing in the Stipulation shall preclude any Person from opting out of the Settlement Class in accordance with the instructions set forth in paragraph 82 below).

76. In addition, the proposed Judgment provides for a "Bar Order" that will bar certain claims for indemnity and contribution by or against the Released Defendant Persons. The specific terms of the proposed Bar Order are set forth in the Stipulation. The proposed Judgment further provides that if the Settlement Class or any Settlement Class Member later obtains a judgment against a person subject to the Bar Order, such judgment shall be reduced by the greater of (i) an amount that corresponds to the percentage of responsibility of the Settling Defendants for the loss to the Settlement Class or the Settlement Class Member or (ii) the amount paid by or on behalf of the Settling Defendants to the Settlement Class or the Settlement Class Member for common damages.

WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?  
HOW WILL THE LAWYERS BE PAID?

77. Bond/Notes Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Class, nor have they been reimbursed for their out-of-pocket expenses. Prior to the Settlement Hearing (see paragraph 12), Lead Bond/Notes Counsel will apply to the Court for an award of attorneys' fees on behalf of Bond/Notes Plaintiffs' Counsel in an amount not to exceed 17.5% of the Settlement Fund. In addition, Lead Bond/Notes Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against Defendants, in an amount not to exceed \$1,800,000 (which may include an application for reimbursement of the reasonable costs and expenses incurred by the Bond/Notes Plaintiffs themselves that relate directly to their representation of the Settlement Class), plus interest on such expenses at the same rate as earned on the Settlement Amounts. Should the Court approve only one of the two Settlements, attorneys' fees will be paid only on the approved Settlement and the Litigation Expenses approved by the Court will be paid from the Settlement Fund created by the approved Settlement.

HOW DO I PARTICIPATE IN THE SETTLEMENTS? WHAT DO I NEED TO DO?

78. To be eligible for a payment from the proceeds of the Settlements, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than \_\_\_\_\_, 2011**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlements, [www.\\_\\_\\_\\_\\_.com](http://www._____.com), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-\_\_\_\_-\_\_\_\_-\_\_\_\_. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund. Please retain all records of your ownership of and transactions in Bond Class Securities, as they may be needed to document your Claim.

79. As a Settlement Class Member you are represented by Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel, unless you enter an appearance through counsel of your own choice at your own expense.

You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When and Where Will the Court Decide Whether to Approve the Settlements?,” below.

80. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, “What If I Do Not Want to Participate in the Settlements? How Do I Exclude Myself?,” below.

81. If you are a Settlement Class Member and you wish to object to any aspect of the Wachovia Settlement or the KPMG Settlement (or both), to the Plan of Allocation, or to Lead Bond/Notes Counsel’s application for attorneys’ fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, “When and Where Will the Court Decide Whether to Approve the Settlements?,” below.

WHAT IF I DO NOT WANT TO PARTICIPATE IN THE SETTLEMENTS?  
HOW DO I EXCLUDE MYSELF?

82. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to *In re Wachovia Preferred Securities and Bond/Notes Litigation*, EXCLUSIONS, c/o The Garden City Group, Inc., P.O. Box 9804, Dublin, Ohio 43017-5704. The exclusion request must be *received* no later than \_\_\_\_\_, 2011. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must (a) state the name, address and telephone number of the person or entity requesting exclusion; (b) state that such person or entity “requests exclusion from the Settlement Class in *In re Wachovia Preferred Securities and Bond/Notes Litigation*, Master File No. 09 Civ. 6351 (RJS)”; (c) state the number of each Bond Class Security (in terms of shares or face value of notes) that the person or entity requesting exclusion purchased/acquired during the Settlement Class Period (*i.e.*, from the dates the securities were first offered through and including February 27, 2009), as well as any sales/dispositions during the Settlement Class Period or thereafter through the close of trading on August 4, 2011, as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by such person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

83. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Bond/Notes Claim against any of the Released Defendant Persons.

84. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund, or any other benefit provided for in the Stipulation. If you ask to be excluded from the Settlement Class, you will be excluded from participation in the Settlements as whole, including both the Wachovia Settlement and the KPMG Settlement; in other words, you cannot exclude yourself from only one of the Settlements.

85. The Wachovia Defendants and KPMG, respectively, have the right to terminate the Wachovia Settlement and the KPMG Settlement, respectively, if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Lead Bond/Notes Plaintiffs and the applicable Settling Defendants.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENTS? DO I HAVE TO COME TO THE HEARING?  
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENTS?

86. **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if the Settlement Class Member does not attend the hearing. You can participate in the Settlements without attending the Settlement Hearing.**

87. The Settlement Hearing will be held on \_\_\_\_\_, 2011 at \_\_\_:\_\_\_ .m. before the Hon. Richard J. Sullivan, at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 21C, New York, NY 10007-1312. The Court reserves the right to approve the Settlements at or after the Settlement Hearing without further notice to the members of the Settlement Class.

88. Any Settlement Class Member who does not request exclusion may object to any aspect of the Wachovia Settlement or the KPMG Settlement (or both), the proposed Plan of Allocation or Lead Bond/Notes Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses. 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 \_\_\_\_\_, 2011. You must also serve the papers on designated representative Lead Bond/Notes Counsel and on counsel for the relevant Settling Defendants at the addresses set forth below for their respective counsel so that the papers are *received on or before* \_\_\_\_\_, 2011.

**Clerk's Office**

United States District Court for the  
Southern District of New York  
Daniel Patrick Moynihan United States Courthouse  
500 Pearl Street, New York, NY 10007-1312

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725 Twelfth Street, N.W.  
Washington, D.C. 20005

89. Any objection (a) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (b) must include documents sufficient to prove membership in the Settlement Class, including the number (in terms of shares or face value of notes) of each Bond Class Security that the objecting Settlement Class Member purchased/acquired during the Settlement Class Period (*i.e.*, from the dates the securities were first offered through and including February 27, 2009), as well as sales of such securities during the Settlement Class Period or thereafter through the close of trading on August 4, 2011, along with the dates and prices of each such purchase/acquisition and sale. You may not object to any aspect of the Settlements, the Plan of Allocation or the motion for attorneys' fees and reimbursement of expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

90. 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 Court orders otherwise.

91. If you wish to be heard orally at the hearing in opposition to the approval of any aspect of the Settlements, the Plan of Allocation or Lead Bond/Notes Counsel's request for an award of attorneys' fees and reimbursement of expenses, 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 designated representative Lead Bond/Notes Counsel and counsel for the Settling Defendants at the addresses set forth above so that it is *received* on or before \_\_\_\_\_, 2011. 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.

92. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you decide to hire an attorney, which will be at your own expense, however, he or she must file a notice of appearance with the Court and serve it on designated representative Lead Bond/Notes Counsel and counsel for the Settling Defendants at the addresses set forth above so that the notice is *received* on or before \_\_\_\_\_, 2011.

93. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Bond/Notes Counsel.

**Unless the Court orders otherwise, any Settlement 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 any aspect of the proposed Settlements, the proposed Plan of Allocation or Lead Bond/Notes Counsel's request for an award of attorneys' fees and reimbursement of expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

94. If you purchased or otherwise acquired any of the Bond Class Securities (listed on page 1 of this Notice) during the Settlement Class Period for the beneficial interest of persons or organizations other than yourself, you must, within ten (10) calendar days after receipt of this Notice, either (a) forward copies of the Notice and Claim Form (the "Notice Packet") to all such beneficial owners; or (b) provide the names and addresses of such persons or entities to *In re Wachovia Preferred Securities and Bond/Notes Litigation*, c/o The Garden City Group, Inc., P.O. Box \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ - \_\_\_\_\_. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form can be obtained from the website maintained by the Claims Administrator, [www.\\_\\_\\_\\_\\_.com](http://www._____.com), or by calling the Claims Administrator toll-free at 1-\_\_\_\_-\_\_\_\_-\_\_\_\_\_.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

95. This Notice contains only a summary of the terms of the proposed Settlements. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500

Pearl Street, New York, NY 10007-1312. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, [www.\\_\\_\\_\\_\\_.com](http://www._____.com).

All inquiries concerning this Notice should be directed to:

*In re Wachovia Preferred Securities and Bond/Notes Litigation*

c/o The Garden City Group, Inc.

P.O. Box \_\_\_\_\_,

\_\_\_\_\_, \_\_\_\_\_

[www.\\_\\_\\_\\_\\_.com](http://www._____.com)

and/or

William C. Fredericks, Esq.  
BERNSTEIN LITOWITZ BERGER  
& GROSSMANN LLP  
1285 Avenue of the Americas  
New York, NY 10019  
[blbg@blbglaw.com](mailto:blbg@blbglaw.com)

David Kessler, Esq.  
KESSLER TOPAZ MELTZER  
& CHECK, LLP  
280 King of Prussia Road  
Radnor, PA 19087  
[info@ktmc.com](mailto:info@ktmc.com)

John J. Rice, Esq.  
ROBBINS GELLER RUDMAN  
& DOWD LLP  
655 West Broadway, Suite 1900  
San Diego, CA 92101  
[rickn@rgrdlaw.com](mailto:rickn@rgrdlaw.com)

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

Dated: \_\_\_\_\_, 2011

By Order of the Court  
United States District Court  
Southern District of New York

#563339

**Table A**  
**Summary of Wachovia Bond Class Securities**

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[13]
Cusip	Security Type	Description	IPO or Supplemental Offering Date	Applicable Purchase/Acquisition Period	"Issue Price" For Securities Purchased/Acquired During Applicable Purchase/Acquisition Period <sup>1,2</sup>	Closing Price on January 21, 2009	
1	929903219	Wachovia Class A Preferred Stock, Series L	4/17/2008	From IPO Through 12/31/2008	\$1,000.00	\$570.00	
2	929903EF	Wachovia Class A Preferred Stock, Series K	2/8/2008	From IPO Through 12/31/2008	\$1,000.00	\$731.67	
3	929903276	Wachovia Class A Preferred Stock, Series J	12/21/2007	From IPO Through 12/31/2008	\$25.00	\$17.94	
4	92978X201	Wachovia Capital Trust IX Trust Preferred Securities	5/8/2007	From IPO Through End of Class Period	\$25.00	\$15.84	
5	92978U207	Wachovia Capital Trust IV Trust Preferred Securities	2/15/2007	From IPO Through End of Class Period	\$25.00	\$16.35	
6	92979K208	Wachovia Capital Trust X Trust Preferred Securities	11/21/2007	From IPO Through End of Class Period	\$25.00	\$20.15	
7a	92976WBA	5.70% Notes Due 8/1/2013	7/31/2006	From IPO Through 11/13/2007	\$998.00	\$1,026.90	
7b	92976WBA	5.70% Notes Due 8/1/2013	11/14/2007	From 11/14/2007 Through 11/21/2007	\$1,013.68	\$1,026.90	
7c	92976WBA	5.70% Notes Due 8/1/2013	7/31/2006	From 11/22/2007 Through End of Class Period	\$1,001.92	\$1,026.90	
8	92976WBB	Three-Month LIBOR Floating Rate Notes Due 8/1/2013	7/31/2006	From IPO Through End of Class Period	\$1,000.00	\$849.29	
9	92976WBC	Three-Month LIBOR Floating Rate Senior Notes Due 12/1/2009	12/13/2006	From IPO Through End of Class Period	\$1,000.00	\$977.98	
10	92976WBD	Three-Month LIBOR Floating Rate Notes Due 7/26/2010	7/26/2007	From IPO Through End of Class Period	\$1,000.00	\$961.39	
11	92976WBG	Three-Month LIBOR Floating Rate Notes Due 11/24/2009	11/27/2007	From IPO Through End of Class Period	\$999.27	\$990.47	
12	92976WBH	5.75% Notes Due 2/1/2018	1/31/2008	From IPO Through End of Class Period	\$995.72	\$980.00	
13a	92976WBJ	5.50% Fixed Rate Notes Due 5/1/2013	4/25/2008	From IPO Through 5/28/2008	\$997.74	\$1,039.17	
13b	92976WBJ	5.50% Fixed Rate Notes Due 5/1/2013	5/29/2008	From 5/29/2008 Through 6/5/2008	\$1,001.30	\$1,039.17	
13c	92976WBJ	5.50% Fixed Rate Notes Due 5/1/2013	4/25/2008	From 6/5/2008 Through End of Class Period	\$997.97	\$1,039.17	
14	92976WBK	Three-Month LIBOR Floating Rate Notes Due 5/1/2013	4/25/2008	From IPO Through End of Class Period	\$1,000.00	\$915.70	
15a	929903CF	5.30% Notes Due 10/15/2011	10/23/2006	From IPO Through 2/11/2007	\$998.37	\$1,013.95	
15b	929903CF	5.30% Notes Due 10/15/2011	2/12/2007	From 2/12/2007 Through 2/19/2007	\$1,002.52	\$1,013.95	
15c	929903CF	5.30% Notes Due 10/15/2011	10/23/2006	From 2/20/2007 Through End of Class Period	\$999.67	\$1,013.95	
16a	929903CG	Three-Month LIBOR Floating Rate Notes Due 10/15/2011	10/23/2006	From IPO Through 2/11/2007	\$1,000.00	\$920.81	
16b	929903CG	Three-Month LIBOR Floating Rate Notes Due 10/15/2011	2/12/2007	From 2/12/2007 Through 2/19/2007	\$1,001.23	\$920.81	
16c	929903CG	Three-Month LIBOR Floating Rate Notes Due 10/15/2011	10/23/2006	From 2/20/2007 Through End of Class Period	\$1,000.41	\$920.81	
17	929903CH	5.625% Subordinated Notes Due 10/15/2016	10/23/2006	From IPO Through End of Class Period	\$996.62	\$931.12	
18	929903CJ	Three-Month LIBOR Floating Rate Notes Due 10/15/2016	10/23/2006	From IPO Through End of Class Period	\$1,000.00	\$702.50	
19a	929903DF	Three-Month LIBOR Floating Rate Notes Due 4/23/2012	4/23/2007	From IPO Through 6/18/2007	\$1,000.00	\$885.01	
19b	929903DF	Three-Month LIBOR Floating Rate Notes Due 4/23/2012	6/19/2007	From 6/19/2007 Through 6/26/2007	\$1,000.41	\$885.01	
19c	929903DF	Three-Month LIBOR Floating Rate Notes Due 4/23/2012	6/8/2007	From 6/27/2007 Through End of Class Period	\$1,000.03	\$885.01	
20a	929903DT	5.75% Notes Due 6/15/2017	9/17/2007	From IPO Through 9/16/2007	\$995.77	\$1,006.93	
20b	929903DT	5.75% Notes Due 6/15/2017	9/17/2007	From 9/17/2007 Through 9/24/2007	\$989.10	\$1,006.93	
20c	929903DT	5.75% Notes Due 6/15/2017	12/18/2007	From 9/25/2007 Through 12/17/2007	\$994.40	\$1,006.93	
20d	929903DT	5.75% Notes Due 6/15/2017	12/18/2007	From 12/18/2007 Through 12/25/2007	\$983.52	\$1,006.93	
20e	929903DT	5.75% Notes Due 6/15/2017	6/8/2007	From 12/26/2007 Through End of Class Period	\$993.00	\$1,006.93	
21	929903DU	Three-Month LIBOR Floating Rate Notes Due 6/15/2017	6/8/2007	From IPO Through End of Class Period	\$1,000.00	\$730.00	
22	929903EC	Three-Month LIBOR Floating Rate Notes Due 8/20/2009	8/20/2007	From IPO Through End of Class Period	\$1,000.00	\$958.36	

Notes:  
<sup>1</sup> Issue price for Bonds are reported in \$1000 par value.  
<sup>2</sup> For securities with multiple offerings, beginning on the seventh day after supplemental offering, "Issue Price" is calculated using the average issue price weighted by the size of each offering to date of that security.

# **Exhibit A-2**

**Must Be Postmarked No  
Later Than  
\_\_\_\_\_, 2011**

**In re Wachovia Preferred Securities and Bond/Notes Litigation  
c/o The Garden City Group, Inc.  
Claims Administrator  
P.O. Box \_\_\_\_\_**

\_\_\_\_\_, \_\_\_\_\_  
(Toll-free number) 1-\_\_\_\_-\_\_\_\_-\_\_\_\_

[www.\\_\\_\\_\\_\\_.com](http://www._____.com)

## **PROOF OF CLAIM AND RELEASE**

***THIS PROOF OF CLAIM MUST BE MAILED TO THE ADDRESS ABOVE  
AND POSTMARKED NO LATER THAN \_\_\_\_\_, 2011.***

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**PART II – GENERAL INSTRUCTIONS**

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**PART I – CLAIMANT INFORMATION**

LAST NAME (CLAIMANT)

FIRST NAME (CLAIMANT)

Last Name (Beneficial Owner if Different From Claimant)

First Name (Beneficial Owner)

Last Name (Co-Beneficial Owner)

First Name (Co-Beneficial Owner)

Company/Other Entity (If Claimant Is Not an Individual)

Contact Person (if Claimant is Not an Individual)

Trustee/Nominee/Other

Account Number (If Claimant Is Not an Individual)

Trust/Other Date (If Applicable)

Address Line 1

Address Line 2 (If Applicable)

City

State

Zip Code

Foreign Province

Foreign Country

Foreign Zip Code

Telephone Number (Day)

Telephone Number (Night)

Beneficial Owner's Employer Identification Number or Social Security Number <sup>1</sup>

Email Address (Email address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.)

IDENTITY OF CLAIMANT (check only one box)

- Individual  Joint Owners  Estate  Corporation  Trust  Partnership  Private Pension Fund
- IRA, Keogh, or other type of individual retirement plan (indicate type of plan, mailing address, and name of current custodian)  Legal Representative  Other (specify, describe on separate sheet)

<sup>1</sup> The taxpayer identification number (TIN), consisting of a valid Social Security number (SSN) for individuals or employer identification number (EIN) for business entities, trusts, estates, etc., and telephone number of the beneficial owner(s) may be used in verifying this claim.

**PART II – GENERAL INSTRUCTIONS**

- A. It is important that you completely read and understand the Notice of (I) Pendency of Class Action; (II) Proposed Settlements and Plan of Allocation; (III) Settlement Fairness Hearing, and (IV) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses that accompanies this Proof of Claim and Release form (“Claim Form”), including the Plan of Allocation of the Net Settlement Fund set forth in the Notice. The Notice describes the proposed Settlements, how Settlement Class Members are affected by the Settlements, and the manner in which the Net Settlement Fund will be distributed if the Settlements and Plan of Allocation are approved by the Court. The Notice also contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Claim Form. By signing and submitting this Claim Form, you will be certifying that you have read and that you understand the Notice, including the terms of the releases described therein and provided for herein.
- B. TO BE ELIGIBLE TO RECEIVE A DISTRIBUTION FROM THE SETTLEMENTS, YOU MUST MAIL YOUR COMPLETED AND SIGNED CLAIM FORM TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, POSTAGE PREPAID, **POSTMARKED BY \_\_\_\_\_, 2011**, ADDRESSED AS FOLLOWS:

*In re Wachovia Preferred Securities and Bond/Notes Litigation*  
c/o The Garden City Group, Inc.  
P.O. Box \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_

If you fail to file a timely, properly addressed, and completed Claim Form, your claim may be rejected and you may be precluded from receiving any proceeds from the Settlements.

- C. This Proof of Claim is directed to all Persons who purchased or otherwise acquired any of the following securities (the “Bond Class Securities”) issued by Wachovia Corporation (“Wachovia”) from the dates they were first offered to the public for sale through and including February 27, 2009 (the “Settlement Class Period”), and were damaged thereby (the “Settlement Class”):

6.375% Wachovia Capital Trust IV Trust Preferred Securities (CUSIP 92978U207)	Three-Month LIBOR Floating Rate Senior Notes Due December 1, 2009 (CUSIP 92976WBC9)
6.375% Wachovia Capital Trust IX Trust Preferred Securities (CUSIP 92978X201)	Three-Month LIBOR Floating Rate Notes Due April 23, 2012 (CUSIP 929903DF6)
7.85% Wachovia Capital Trust X Trust Preferred Securities (CUSIP 92979K208)	Three-Month LIBOR Floating Rate Notes Due June 15, 2017 (CUSIP 929903DU3)
8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J (CUSIP 929903276)	5.75% Notes Due June 15, 2017 (CUSIP 29903DT6)
Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K (CUSIP 929403243, later denominated 929903EF5)	Three-Month LIBOR Floating Rate Notes Due July 26, 2010 (CUSIP 92976WBD7)
7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L (CUSIP 929903219)	Three-Month LIBOR Floating Rate Notes Due August 20, 2009 (CUSIP 929903EC2)
	Three-Month LIBOR Floating Rate Notes Due November 24, 2009 (CUSIP 92976WBG0)

Three-Month LIBOR Floating Rate Notes Due August 1, 2013 (CUSIP 92976WBB1)

5.70% Notes Due August 1, 2013 (CUSIP 92976WBA3)

Three-Month LIBOR Floating Rate Notes Due October 15, 2011 (CUSIP 929903CG5)

5.30% Notes Due October 15, 2011 (CUSIP 929903CF7)

5.625% Subordinated Notes Due October 15, 2016 (CUSIP 929903CH3)

Three-Month LIBOR Floating Rate Subordinated Notes Due October 15, 2016 (CUSIP 929903CJ9)

5.75% Notes due February 1, 2018 (CUSIP 92976WBH8)

5.50% Fixed Rate Notes Due May 1, 2013 (CUSIP 92976WBJ4)

Three Month LIBOR Floating Rate Notes due May 1, 2013 (CUSIP 92976WBK1)

**Please note that the Bond Class Securities do not include Wachovia common stock or any other securities that are not listed above. Wachovia common stock is the subject of a separate class action suit, *In re Wachovia Equity Securities Litigation*, No. 08 Civ. 6171 (RJS) (S.D.N.Y), which is not part of the Settlements described in the Notice.**

- D. "Settlement Class Members" means any Persons who purchased or otherwise acquired Bond Class Securities during the Settlement Class Period and who were damaged thereby and who are not excluded by definition from the Settlement Class and do not timely submit a proper request for exclusion in accordance with the requirements set forth in the Notice. Persons and entities excluded from the Settlement Class by definition are all Defendants in the Action and their respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any entity in which any Defendant has or had a controlling interest, and any Person who has entered into a tolling agreement in connection with this Action and his, her or its respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any entity in which any such Person has or had a controlling interest, provided that any Investment Vehicle (as defined in the Stipulation) shall not be deemed an excluded Person by definition.
- E. IF YOU ARE NOT A SETTLEMENT CLASS MEMBER, OR IF YOU FILED A REQUEST FOR EXCLUSION FROM THE SETTLEMENT CLASS, DO NOT SUBMIT A CLAIM FORM. YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENTS IF YOU ARE NOT A SETTLEMENT CLASS MEMBER OR IF YOU SUBMIT A VALID AND TIMELY REQUEST FOR EXCLUSION.
- F. Settlement Class Members will be bound by the terms of any judgments or orders entered in the Action WHETHER OR NOT A CLAIM FORM IS SUBMITTED, unless a valid request for exclusion from the Settlement Class is received by \_\_\_\_\_, 2011. As described in the Notice, the Judgment will release and enjoin the filing or continued prosecution of the Released Bond/Notes Claims against the Released Defendant Persons.
- G. **Submission of this Claim Form does not guarantee that you will share in the proceeds of the Settlements.** Distribution of the Net Settlement Fund will be governed by the Plan of Allocation set forth in the Notice, if it is approved by the Court, or by such other plan of allocation as the Court approves.

- H. Use Section III of this Claim Form entitled “SCHEDULE OF TRANSACTIONS IN WACHOVIA BOND CLASS SECURITIES” to supply all required details of your transaction(s) in the Bond Class Securities. On these schedules, provide all of the requested information with respect to (i) all purchases/acquisitions and sales of Bond Class Securities beginning with the date that the Bond Class Securities were first offered to the public for sale through and including the close of trading on August 4, 2011; and (ii) your closing positions in Bond Class Securities as of the close of trading on August 4, 2011. **Failure to report all transactions during the requested periods may result in the rejection of your claim.**
- I. You are required to submit genuine and sufficient documentation for all your transactions in and holdings of Bond Class Securities as set forth in the Schedule of Transactions in Part III. Documentation may consist of copies of brokerage confirmations or monthly statements. IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT CONTEMPORANEOUS DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION MAY RESULT IN THE REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS. **Please keep a copy of all documents that you send to the Claims Administrator. Also, please do not highlight any portion of the Claim Form or any supporting documents.**
- J. [Participants and beneficiaries in the [INSERT NAMES OF WACHOVIA PLAN[S]] (the “Wachovia ERISA Plan[s]”) should not include any information relating to their transactions within the Plan[s] in any Claim Form that they may submit in this Action. Claims based on the Wachovia ERISA Plan[s]’ purchases of Bond Class Securities during the Settlement Class Period may be made by the Plan[s]’ trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in the Plan[s], such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from these Settlements by the Wachovia ERISA Plan[s].
- K. Separate Claim Forms should be submitted for each separate legal entity (*e.g.*, a claim from joint owners should not include separate transactions of just one of the joint owners, and an individual should not combine his or her IRA transactions with transactions made solely in the individual’s name). Conversely, a single Claim Form should be submitted on behalf of one legal entity including all transactions made by that entity on one Claim Form, no matter how many separate accounts that entity has (*e.g.*, a corporation with multiple brokerage accounts should include all transactions made in all accounts on one Claim Form).
- L. All joint beneficial owners must each sign this Claim Form. If you purchased or otherwise acquired Bond Class Securities during the Settlement Class Period and held the securities in your name, you are the beneficial owner as well as the record owner. If, however, you purchased or otherwise acquired Bond Class Securities during the Settlement Class Period and the securities were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial owner of these securities, but the third party is the record owner.
- M. Agents, executors, administrators, guardians, and trustees must complete and sign the Claim Form on behalf of persons represented by them, and they must:
- (a) expressly state the capacity in which they are acting;

(b) identify the name, account number, Social Security Number (or taxpayer identification number), address and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the Bond Class Securities; and

(c) furnish herewith evidence of their authority to bind to the Claim Form the person or entity on whose behalf they are acting. (Authority to complete and sign a Claim Form cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade stock in another person's accounts.)

N. By submitting a signed Claim Form, you will be swearing that you:

- (a) own(ed) the Bond Class Securities you have listed in the Claim Form; or
- (b) are expressly authorized to act on behalf of the owner thereof.

O. By submitting a signed Claim Form, you will be swearing to the truth of the statements contained therein and the genuineness of the documents attached thereto, subject to penalties of perjury under the laws of the United States of America. The making of false statements, or the submission of forged or fraudulent documentation, will result in the rejection of your claim and may subject you to civil liability or criminal prosecution.

P. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. To obtain the mandatory electronic filing requirements and file layout, you may visit the settlement website at [www.\\_\\_\\_\\_\\_.com](http://www._____.com) or you may email the Claims Administrator's electronic filing department at [\\_\\_\\_\\_\\_.@\\_\\_\\_\\_\\_](mailto:_____.@_____).com. Any file not in accordance with the required electronic filing format will be subject to rejection. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues an email after processing your file with your claim numbers and respective account information. Do not assume that your file has been received or processed until you receive this email. If you do not receive such an email within 10 days of your submission, you should contact the electronic filing department at [\\_\\_\\_\\_\\_.@\\_\\_\\_\\_\\_](mailto:_____.@_____).com to inquire about your file and confirm it was received and acceptable.

Q. If you have questions concerning the Claim Form, or need additional copies of the Claim Form or the Notice, you may contact the Claims Administrator, The Garden City Group, Inc., at the above address or by toll-free phone at 1-\_\_\_\_-\_\_\_\_-\_\_\_\_, or you may download the documents from [www.\\_\\_\\_\\_\\_.com](http://www._____.com).

**PART III – SCHEDULE OF TRANSACTIONS IN WACHOVIA BOND CLASS SECURITIES**

Failure to provide proof of all purchases/acquisitions, sales, and ending holdings information requested below will impede proper processing of your claim and may result in the rejection of your claim. Please include proper documentation with your Claim Form as described in detail in Part II – General Instructions, Paragraph I, above. *Please do not provide any information regarding securities that are not included in the Settlements (e.g., Wachovia common stock).*

**A. Wachovia Preferred Securities:**

<b>1. Purchases/Acquisitions</b> – Separately list each and every purchase/acquisition, including free receipts, of Wachovia Preferred Securities listed in the box below <b>at any time prior to the close of trading on August 4, 2011.</b> <sup>2</sup> Please be sure to include the Preferred Security Code for each security purchased/acquired.				<b>IF NONE, CHECK HERE</b>  <input type="radio"/>
Preferred Security Code (See Box below)	Date of purchase/acquisition (List chronologically) MM DD YYYY	Number of shares purchased/acquired	Purchase/acquisition price per share (excluding taxes, commissions and fees)	Proof of purchase/acquisition enclosed
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
<b>2. Sales</b> – Separately list each and every sale, including free deliveries, of Wachovia Preferred Securities listed in the box below <b>at any time prior to the close of trading August 4, 2011.</b> Please be sure to include the Preferred Security Code for each security sold.				<b>IF NONE, CHECK HERE</b>  <input type="radio"/>
Preferred Security Code (See Box below)	Date of sale (List chronologically) MM DD YYYY	Number of shares sold	Sale price per share (excluding taxes, commissions and fees)	Proof of sale enclosed
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N

<sup>2</sup> **Please note:** Information requested with respect to your purchases/acquisitions of Wachovia Preferred Securities during the time period from the dates they were first offered to the public for sale through the close of trading on August 4, 2011 is needed in order to balance your claim; however, purchases/acquisitions after February 27, 2009 are not eligible under the Settlements and will not be used for purposes of calculating your Recognized Losses pursuant to the Plan of Allocation.

	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
<b>3. Ending Holdings</b> – State the number of shares of Wachovia Preferred Securities you held as of the close of trading on <b>August 4, 2011</b> . If none, write “zero” or “0”. Please be sure to include the Preferred Security Code for each security held.				
Preferred Security Code (See Box Below)	Number of Shares Held			Proof of holding enclosed
	_____ shares			<input type="radio"/> Y <input type="radio"/> N
	_____ shares			<input type="radio"/> Y <input type="radio"/> N
	_____ shares			<input type="radio"/> Y <input type="radio"/> N
	_____ shares			<input type="radio"/> Y <input type="radio"/> N
	_____ shares			<input type="radio"/> Y <input type="radio"/> N

The preferred securities included in the Settlements consist of the following six Wachovia-issued preferred securities (“Wachovia Preferred Securities”)<sup>3</sup>:

Preferred Security Code	Preferred Security Description	Initial Offering Date	CUSIP Number
A	6.375% Wachovia Capital Trust IV Trust Preferred Securities	02/15/07	92978U207
B	6.375% Wachovia Capital Trust IX Trust Preferred Securities	05/8/07	92978X201
C	7.85% Wachovia Capital Trust X Trust Preferred Securities	11/21/07	92979K208
D	8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J	12/21/07	929903276
E	Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K	02/8/08	929403243, later denominated 929903EF5
F	7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L	04/17/08	929903219

<sup>3</sup> As described in the proposed Plan of Allocation set forth in the Notice, only those Settlement Class Members who purchased or otherwise acquired Wachovia Preferred Securities that were first offered to the public on or after April 23, 2007 will be eligible to participate in the distribution of the portion of the Net Settlement Fund created by the KPMG Settlement.

**B. Wachovia Notes**

<b>1. Purchases/Acquisitions</b> – Separately list each and every purchase/acquisition, including free receipts, of Wachovia Notes listed in the box below <b>at any time prior to the close of trading on August 4, 2011.</b> <sup>4</sup> Please be sure to include the Note Code for each note purchased/acquired.				<b>IF NONE, CHECK HERE</b> <input type="radio"/>		
Note Code (See Box below)	Date of purchase/acquisition (List chronologically) MM DD YYYY			Face Value purchased/acquired	Purchase/acquisition price per note (excluding taxes, commissions and fees)	Proof of purchase/acquisition on enclosed
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
<b>2. Sales</b> – Separately list each and every sale, including free deliveries, of Wachovia Notes listed in the box below <b>at any time prior to the close of trading on August 4, 2011.</b> Please be sure to include the Note Code for each note sold.				<b>IF NONE, CHECK HERE</b> <input type="radio"/>		
Note Code (See Box below)	Date of sale (List chronologically) MM DD YYYY			Face Value sold	Sale price per note (excluding taxes, commissions and fees)	Proof of sale enclosed
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
<b>3. Ending Holdings</b> – State the face value of Wachovia Notes you held as of the close of trading on <b>August 4, 2011.</b> If none, write “zero” or “0”. Please be sure to include the Note Code for each security held.						
Note Code (See Box Below)	Face Value Held					Proof of holding enclosed
	\$					<input type="radio"/> Y <input type="radio"/> N

<sup>4</sup> **Please note:** Information requested with respect to your purchases/acquisitions of Wachovia Notes during the time period from the dates they were first offered to the public for sale through the close of trading on August 4, 2011 is needed in order to balance your claim; however, purchases/acquisitions after February 27, 2009 are not eligible under the Settlements and will not be used for purposes of calculating your Recognized Losses pursuant to the Plan of Allocation.

	\$	<input type="radio"/> Y <input type="radio"/> N
	\$	<input type="radio"/> Y <input type="radio"/> N
	\$	<input type="radio"/> Y <input type="radio"/> N
	\$	<input type="radio"/> Y <input type="radio"/> N

The notes included in the Settlements consist of the following sixteen Wachovia-issued notes (“Wachovia Notes”)<sup>5</sup>:

Note Code	Note Description	Initial Offering Date	CUSIP Number
G	Three-Month LIBOR Floating Rate Notes Due August 1, 2013	7/31/06	92976WBB1
H	5.70% Notes Due August 1, 2013	7/31/06	92976WBA3
I	Three-Month LIBOR Floating Rate Notes Due October 15, 2011	10/23/06	929903CG5
J	5.30% Notes Due October 15, 2011	10/23/06	929903CF7
K	5.625% Subordinated Notes Due October 15, 2016	10/23/06	929903CH3
L	Three-Month LIBOR Floating Rate Subordinated Notes Due October 15, 2016	10/23/06	929903CJ9
M	Three-Month LIBOR Floating Rate Senior Notes Due December 1, 2009	12/13/06	92976WBC9
N	Three-Month LIBOR Floating Rate Notes Due April 23, 2012	4/23/07	929903DF6
O	Three-Month LIBOR Floating Rate Notes Due June 15, 2017	6/8/07	929903DU3
P	5.75% Notes Due June 15, 2017	6/8/07	929903DT6
Q	Three-Month LIBOR Floating Rate Notes Due July 26, 2010	7/26/07	92976WBD7
R	Three-Month LIBOR Floating Rate Notes Due August 20, 2009	8/20/07	929903EC2
S	Three-Month LIBOR Floating Rate Notes Due November 24, 2009	11/27/07	92976WBG0
T	5.75% Notes due February 1, 2018	1/31/08	92976WBH8

<sup>5</sup> As described in the proposed Plan of Allocation set forth in the Notice, only those Settlement Class Members who purchased or otherwise acquired Wachovia Notes that were first offered to the public on or after April 23, 2007 will be eligible to participate in the distribution of the portion of the Net Settlement Fund created by the KPMG Settlement.

U	5.50% Fixed Rate Notes Due May 1, 2013	4/25/08	92976WBJ4)
V	Three Month LIBOR Floating Rate Notes due May 1, 2013	4/25/08	92976WBK1

**IF YOU REQUIRE ADDITIONAL SPACE FOR ANY OF THE SCHEDULES ABOVE, ATTACH EXTRA SCHEDULES IN THE SAME FORMAT. PRINT THE BENEFICIAL OWNER'S FULL NAME AND TAXPAYER IDENTIFICATION NUMBER ON EACH ADDITIONAL PAGE. IF YOU DO ATTACH EXTRA SCHEDULES, CHECK THIS BOX**

**PART IV - RELEASE OF CLAIMS AND SIGNATURE**

**YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW AND SIGN ON PAGE \_\_\_ OF THIS CLAIM FORM.**

I (we) hereby acknowledge that as of the Effective Date of the respective Settlements, pursuant to the terms set forth in the Stipulation, I (we) shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed each and every Released Bond/Notes Claim (as defined in the Stipulation) against all of the applicable Released Defendant Persons (as defined in the Stipulation), and shall forever be enjoined from prosecuting any or all of the Released Bond/Notes Claims against any of the applicable Released Defendant Persons, with respect to each Settlement as to which the Effective Date has occurred.

**V. CERTIFICATION**

By signing and submitting this Claim Form, the claimant(s) or the person(s) who represents the claimant(s) certifies, as follows:

1. that I (we) have read and understand the contents of the Notice and this Claim Form, including the releases provided for in the Settlements;
2. that the claimant(s) is a (are) Settlement Class Member(s), as defined in the Notice, and is (are) not excluded by definition from the Settlement Class;
3. that the claimant **has not** submitted a request for exclusion from the Settlement Class;
4. that I (we) own(ed) the Bond Class Securities identified in the Claim Form and have not assigned the claim against the Released Defendant Persons to another, or that, in signing and submitting this Claim Form, I (we) have the authority to act on behalf of the owner(s) thereof;
5. that the claimant has not submitted any other claim covering the same purchases/acquisitions, sales, or holdings of Bond Class Securities and knows of no other person having done so on his/her/its behalf;
6. that the claimant submits to the jurisdiction of the Court with respect to his/her/its claim and for purposes of enforcing the releases set forth herein;
7. that I (we) agree to furnish such additional information with respect to this Claim Form as Lead Bond/Notes Counsel, the Claims Administrator or the Court may require;
8. that the claimant waives the right to trial by jury, to the extent it exists, and agrees to the Court's summary disposition of the determination of the validity or amount of the claim made by this Claim Form;
9. that I (we) acknowledge that the claimant will be bound by and subject to the terms of any judgment(s) that may be entered in the Action; and
10. that the claimant is NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because (a) the claimant is exempt from backup withholding or (b) the claimant has not been notified by the IRS that he/she/it is subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified the claimant that he/she/it is no longer subject to backup withholding. **If the IRS has notified the claimant that he, she or it is subject to backup withholding, please strike out the language in the preceding sentence indicating that the claim is not subject to backup withholding in the certification above.**

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

DOCUMENTS SUBMITTED HEREWITH ARE TRUE AND CORRECT COPIES OF WHAT THEY PURPORT TO BE.

---

Signature of claimant

Date

---

Print your name here

---

Signature of joint claimant, if any

Date

---

Print your name here

***If the claimant is other than an individual, or is not the person completing this form, the following also must be provided:***

---

Signature of person signing on behalf of claimant

Date

---

Print your name here

---

Capacity of person signing on behalf of claimant, if other than an individual, e.g., executor, president, custodian, etc.

THIS CLAIM FORM MUST BE POSTMARKED NO LATER THAN \_\_\_\_\_, 2011, AND MUST BE MAILED TO:

In re Wachovia Preferred Securities and Bond/Notes Litigation  
c/o The Garden City Group, Inc.  
Claims Administrator  
P.O. Box \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

A Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by \_\_\_\_\_, 2011 and if a postmark is indicated on the envelope and it is mailed First Class, and addressed in accordance with the above instructions. In all other cases, a Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to fully process all of the Claim Forms. Please be patient and notify the Claims Administrator of any change of address.

**REMINDER CHECKLIST:**

1. Please sign the above release and certification. If this Claim Form is being made on behalf of joint claimants, then both must sign.
2. Remember to attach only **copies** of acceptable supporting documentation.
3. Please do not highlight any portion of the Claim Form or any supporting documents.
4. Do not send original stock certificates or documentation. These items cannot be returned to you by the Claims Administrator.
5. Keep copies of the completed Claim Form and documentation for your own records.
6. The Claims Administrator will acknowledge receipt of your Claim Form by mail, within 60 days. Your claim is not deemed filed until you receive an acknowledgement postcard. If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator toll free at 1-\_\_\_\_-\_\_\_\_-\_\_\_\_.
7. If your address changes in the future, or if this Claim Form was sent to an old or incorrect address, please send the Claims Administrator written notification of your new address. If you change your name, please inform the Claims Administrator.
8. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at the above address or toll-free at 1-\_\_\_\_-\_\_\_\_-\_\_\_\_, or visit [www.\\_\\_\\_\\_\\_.com](http://www._____.com).

#560554

# **Exhibit A-3**

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

IN RE WACHOVIA PREFERRED SECURITIES  
AND BOND/NOTES LITIGATION

Master File No. 09 Civ. 6351 (RJS)

**ECF Case**

**SUMMARY NOTICE OF (I) PENDENCY OF CLASS ACTION;  
(II) PROPOSED SETTLEMENTS AND PLAN OF ALLOCATION;  
(III) SETTLEMENT FAIRNESS HEARING; AND (IV) MOTION FOR AN AWARD OF  
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

**TO: All persons and entities who purchased or otherwise acquired any of the following securities (the "Bond Class Securities")<sup>1</sup> issued by Wachovia Corporation ("Wachovia") from the dates they were first offered to the public for sale through and including February 27, 2009, and were damaged thereby:**

6.375% Wachovia Capital Trust IV Trust Preferred Securities (CUSIP 92978U207)	Three-Month LIBOR Floating Rate Subordinated Notes Due October 15, 2016 (CUSIP 929903CJ9)
6.375% Wachovia Capital Trust IX Trust Preferred Securities (CUSIP 92978X201)	Three-Month LIBOR Floating Rate Senior Notes Due December 1, 2009 (CUSIP 92976WBC9)
7.85% Wachovia Capital Trust X Trust Preferred Securities (CUSIP 92979K208)	Three-Month LIBOR Floating Rate Notes Due April 23, 2012 (CUSIP 929903DF6)
8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J (CUSIP 929903276)	Three-Month LIBOR Floating Rate Notes Due June 15, 2017 (CUSIP 929903DU3)
Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K (CUSIP 929403243, later denominated 929903EF5)	5.75% Notes Due June 15, 2017 (CUSIP 929903DT6)
7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L (CUSIP 929903219)	Three-Month LIBOR Floating Rate Notes Due July 26, 2010 (CUSIP 92976WBD7)
Three-Month LIBOR Floating Rate Notes Due August 1, 2013 (CUSIP 92976WBB1)	Three-Month LIBOR Floating Rate Notes Due August 20, 2009 (CUSIP 929903EC2)
5.70% Notes Due August 1, 2013 (CUSIP 92976WBA3)	Three-Month LIBOR Floating Rate Notes Due November 24, 2009 (CUSIP 92976WBG0)
Three-Month LIBOR Floating Rate Notes Due October 15, 2011 (CUSIP 929903CG5)	5.75% Notes due February 1, 2018 (CUSIP 92976WBH8)
5.30% Notes Due October 15, 2011 (CUSIP 929903CF7)	5.50% Fixed Rate Notes Due May 1, 2013 (CUSIP 92976WBJ4)
5.625% Subordinated Notes Due October 15, 2016 (CUSIP 929903CH3)	Three Month LIBOR Floating Rate Notes due May 1, 2013 (CUSIP 92976WBK1)

<sup>1</sup> The Bond Class Securities do not include Wachovia common stock or any other securities that are not listed in this notice. Wachovia common stock is the subject of a separate class action suit, *In re Wachovia Equity Securities Litigation*, No. 08 Civ. 6171 (RJS) (S.D.N.Y.), which is not part of the Settlements described in this notice.

**PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

YOU ARE HEREBY NOTIFIED, 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, (i) that the above-captioned litigation (the "Action") has been certified as a class action on behalf of all persons and entities who purchased or otherwise acquired Bond Class Securities during the time period from the first date on which any of the Bond Class Securities were offered through and including February 27, 2009, and were damaged thereby (the "Settlement Class"), except for certain persons and entities who are excluded from the Settlement Class by definition as set forth in the Stipulation and Agreements of Settlement in the Action (the "Stipulation"); and (ii) that Lead Bond/Notes Plaintiffs in the Action have reached agreements to settle the Action for settlement payments totaling \$627 million in cash, plus interest thereon, consisting of (a) a \$590 million cash settlement with the Wachovia Defendants (the "Wachovia Settlement") and (b) a \$37 million cash settlement with defendant KPMG LLP (the "KPMG Settlement") (collectively, the "Settlements").

A hearing will be held on \_\_\_\_\_, 2011 at \_\_\_:\_\_\_ .m before the Honorable Richard J. Sullivan at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 21C, New York, NY 10007-1312, to determine (i) whether the proposed Settlements should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice against the Defendants, and the releases specified and described in the Stipulation should be granted; (iii) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (iv) whether Lead Bond/Notes Counsel's application for an award of attorneys' fees and reimbursement of expenses should be approved.

**If you are a member of the Settlement Class, your rights will be affected by the pending Action and the Settlements, and you may be entitled to share in the Settlement Fund.** If you have not yet received the full printed Notice of (I) Pendency of Class Action; (II) Proposed Settlements and Plan of Allocation, (III) Settlement Fairness Hearing, and (IV) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice"), and the Proof of Claim and Release form ("Claim Form"), you may obtain copies of these documents by contacting the Claims Administrator: *In re Wachovia Preferred Securities and Bond/Notes Litigation*, c/o The Garden City Group, Inc., Claims Administrator, P.O. Box \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_-\_\_\_\_\_, 1-\_\_\_\_-\_\_\_\_-\_\_\_\_\_. Copies of the Notice and Claim Form can also be downloaded from the website maintained by the Claims Administrator, [www.\\_\\_\\_\\_\\_com](http://www._____com).

If you are a member of the Settlement Class, in order to be eligible to receive a payment under the proposed Settlements, **you must submit a Claim Form postmarked no later than \_\_\_\_\_, 2011.** If you are a member of the Settlement Class and do not submit a proper Claim Form, you will not share in the distribution of the net proceeds of the Settlements but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.

If you are a member of the Settlement Class and wish to exclude yourself from the Settlement Class, you must submit a request for exclusion such that it is *received* no later than \_\_\_\_\_, 2011, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to share in the proceeds of the Settlements.

Any objections to any aspect of the proposed Settlements, the proposed Plan of Allocation, or Lead Bond/Notes Counsel's application for an award of attorneys' fees and reimbursement of expenses, must be filed with the Court and delivered to designated representative Lead Bond/Notes Counsel and counsel for the relevant Settling Defendants such that they are *received* no later than \_\_\_\_\_, 2011, in accordance with the instructions set forth in the Notice.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. Inquiries, other than requests for the Notice and Claim Form, may be made to Lead Bond/Notes Counsel:

William C. Fredericks, Esq.  
BERNSTEIN LITOWITZ BERGER  
& GROSSMANN LLP  
1285 Avenue of the Americas  
New York, NY 10019  
(800) 380-8496  
blbg@blbglaw.com

David Kessler, Esq.  
KESSLER TOPAZ MELTZER  
& CHECK, LLP  
280 King of Prussia Road  
Radnor, PA 19087  
(610) 667-7706  
info@ktmc.com

John J. Rice, Esq.  
ROBBINS GELLER RUDMAN  
& DOWD LLP  
655 West Broadway, Suite 1900  
San Diego, CA 92101  
(800) 449-4900  
rickn@rgrdlaw.com

By Order of the Court

#563340

# **Exhibit B**

**EXHIBIT B**

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

IN RE WACHOVIA PREFERRED SECURITIES  
AND BOND/NOTES LITIGATION

Master File No. 09 Civ. 6351 (RJS)

**ECF Case**

**JUDGMENT APPROVING CLASS ACTION SETTLEMENTS**

WHEREAS, a consolidated class action is pending in this Court entitled *In re Wachovia Preferred Securities and Bond/Notes Litigation*, Master File No. 09 Civ. 6351 (S.D.N.Y.) (RJS) (the “Bond/Notes Action” or “Action”);

WHEREAS, Lead Bond/Notes Plaintiffs Orange County Employees’ Retirement System, Louisiana Sheriffs’ Pension and Relief Fund, and Southeastern Pennsylvania Transportation Authority, individually and on behalf of the Settlement Class (as hereinafter defined); defendants Wachovia Corporation (“Wachovia”), Wachovia Capital Trust IV, Wachovia Capital Trust IX, Wachovia Capital Trust X, Wachovia Capital Markets, LLC, Wells Fargo Securities, LLC, A.G. Edwards & Sons, Inc., Wells Fargo & Company (as successor-in-interest to Wachovia), G. Kennedy Thompson, Peter M. Carlson, Ross E. Jeffries, Jr., David M. Julian, Mark C. Treanor, Donald K. Truslow, Thomas J. Wurtz, John D. Baker, II, Robert J. Brown, Peter C. Browning, John T. Casteen, III, Jerome A. Gitt, William H. Goodwin, Jr., Mary Ellen C. Herringer, Robert A. Ingram, Donald M. James, Mackey J. McDonald, Joseph Neubauer, Timothy D. Proctor, Ernest S. Rady, Van L. Richey, Ruth G. Shaw, Lanty L. Smith, John C. Whitaker, Jr., and Dona Davis Young (collectively, the “Wachovia Defendants”); and defendant KPMG, LLP (“KPMG” and together with the Wachovia Defendants, the “Settling Defendants”) have entered into a Stipulation and Agreements of Settlement

dated August 5, 2011 (the “Stipulation”) that sets forth the terms and conditions of the following two settlements (collectively, the “Settlements”):

(1) The Wachovia Settlement, consisting of a settlement between (a) Lead Bond/Notes Plaintiffs, individually and on behalf of the proposed Settlement Class, and (b) the Wachovia Defendants, which provides for a complete dismissal with prejudice of the claims asserted in the Action against the Wachovia Defendants and the Underwriter Defendants on the terms and conditions set forth in the Stipulation, subject to the approval of this Court; and

(2) The KPMG Settlement, consisting of a settlement between (a) Lead Bond/Notes Plaintiffs, individually and on behalf of the proposed Settlement Class, and (b) KPMG, which provides for a complete dismissal with prejudice of the claims asserted in the Action against KPMG on the terms and conditions set forth in the Stipulation, subject to the approval of this Court.

WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall have the same meaning as they have in the Stipulation;

WHEREAS, by Order dated \_\_\_\_\_, 2011 (the “Preliminary Approval Order”), this Court (a) preliminarily approved both the Wachovia Settlement and the KPMG Settlement; (b) certified the Settlement Class for settlement purposes only; (c) ordered that notice of the proposed Settlements be provided to potential Settlement Class Members; (d) provided Settlement Class Members with the opportunity either to exclude themselves from the Settlement Class or to object to the proposed Settlements, and (e) scheduled a hearing regarding final approval of the Settlements;

WHEREAS, due and adequate notice has been given to the Settlement Class;

WHEREAS, [all Underwriter Defendants provided Lead Bond/Notes Counsel a signed

Underwriter Defendant Release at least five (5) business days prior to the date of the Settlement Hearing and, therefore, the defined term “Released Defendants” shall refer to the Settling Defendants and the Underwriter Defendants;] OR [the following Underwriter Defendants provided Lead Bond/Notes Counsel a signed Underwriter Defendant Release at least five (5) business days prior to the date of the Settlement Hearing and, therefore, are hereinafter referred to as the “Included Underwriter Defendants”: [LIST COMPLYING UNDERWRITER DEFENDANTS]; the following Underwriter Defendants did not provide Lead Bond/Notes Counsel a signed Underwriter Defendant Release prior to the Settlement Hearing and, therefore, are hereinafter referred to as the “Non-Settling Defendants”: [LIST NONCOMPLYING UNDERWRITER DEFENDANTS]; and the defined term “Released Defendants” shall refer to the Settling Defendants and the Included Underwriter Defendants;]

WHEREAS, the Court conducted a hearing on \_\_\_\_\_, 2011 (the “Settlement Hearing”) to consider, among other things, (i) whether the terms and conditions of the Wachovia Settlement and of the KPMG Settlement are fair, reasonable and adequate, and in the best interest of Lead Bond/Notes Plaintiffs and the other Settlement Class Members, and should therefore be approved; and (ii) whether a judgment should be entered dismissing the Action with prejudice as against the Released Defendants; and

WHEREAS, the Court having reviewed and considered the Stipulation, all papers filed and proceedings held herein in connection with the Settlements, all oral and written comments received regarding the proposed Settlements, and the record in the Action, and good cause appearing therefor;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Jurisdiction:** The Court has jurisdiction over the subject matter of the Action, and all matters relating to the Settlements, as well as personal jurisdiction over all of the Settling Parties and each of the Settlement Class Members.

2. **Incorporation of Settlement Documents:** This Judgment incorporates and makes a part hereof: (a) the Stipulation filed with the Court on \_\_\_\_\_, 2011; and (b) the Notice and the Summary Notice, both of which were filed with the Court on \_\_\_\_\_, 2011.

3. **Settlement Class Certification:** The Court hereby affirms its determinations in the Preliminary Approval Order certifying, for the purposes of settlement only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of all Persons who purchased or otherwise acquired Bond Class Securities during the Settlement Class Period, and were damaged thereby (the "Settlement Class"). Excluded from the Settlement Class are all Defendants in the Action and their respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any entity in which any Defendant has or had a controlling interest, and any Person who has entered into a tolling agreement in connection with this Action and his, her or its respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any entity in which any such Person has or had a controlling interest, provided that any Investment Vehicle shall not be deemed an excluded Person by definition. [Also excluded from the Settlement Class are the Persons who timely and validly requested exclusion from the Settlement Class, as listed on Exhibit A hereto.]

4. **Adequacy of Representation:** Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of settlement only, the Court hereby affirms its determinations in the

Preliminary Approval Order certifying Lead Bond/Notes Plaintiffs Orange County Employees' Retirement System, Louisiana Sheriffs' Pension and Relief Fund, and Southeastern Pennsylvania Transportation Authority as class representatives on behalf of the Settlement Class and appointing Lead Bond/Notes Counsel as co-counsel for the Settlement Class. Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel have fully and adequately represented the Settlement Class, both in terms of litigating this Action and for purposes of entering into and implementing the Settlements, and meet the requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g), respectively.

5. **Notice:** The Court finds that the dissemination of the Notice and the publication of the Summary Notice: (i) were implemented in accordance with the Preliminary Approval Order; (ii) constituted the best notice practicable under the circumstances; (iii) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members (a) of the pendency of the Action, (b) of the effect of the Settlements (including the Releases provided for therein), (c) of Lead Bond/Notes Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, (d) of their right to object to any aspect of the Settlements (including any aspect of the Wachovia Settlement, the KPMG Settlement, or both), the Plan of Allocation, and/or Lead Bond/Notes Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses, (e) of their right to exclude themselves from the Settlement Class, and (f) of their right to appear at the Settlement Hearing; (iv) constituted due, adequate, and sufficient notice to all persons or entities entitled to receive notice of the proposed Settlements; and (v) satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, due process, the Private Securities Litigation Reform Act of 1995 (15 U.S.C. § 77z-1(a)(7)) (the "PSLRA"), the Rules of the Court, and all other applicable law and rules.

6. **Final Settlement Approval and Dismissal of Claims:** Pursuant to, and in accordance with, Rule 23 of the Federal Rules of Civil Procedure, this Court hereby fully and finally approves each of the Settlements set forth in the Stipulation in all respects (including, without limitation, the Wachovia Settlement and the KPMG Settlement; the Wachovia Settlement Amount and the KPMG Settlement Amount, the Releases provided for therein, including the release of the Released Bond/Notes Claims as against the Released Defendant Persons, and the dismissal with prejudice of claims against the Released Defendants), and finds that each of the Settlements is, in all respects, fair, reasonable and adequate, and is in the best interests of Lead Bond/Notes Plaintiffs and the other Settlement Class Members. The Settling Parties are directed to implement, perform and consummate each of the Settlements in accordance with the terms and provisions contained in the Stipulation.

7. (A) All of the claims asserted in the Action against the Wachovia Defendants and the Underwriter Defendants [(other the Non-Settling Defendants)] by Lead Bond/Notes Plaintiffs, Additional Bond/Notes Plaintiffs and the other Settlement Class Members are hereby fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed, on the merits and with prejudice as of the Effective Date of the Wachovia Settlement; and (B) All of the claims asserted in the Action against KPMG by Lead Bond/Notes Plaintiffs, Additional Bond/Notes Plaintiffs and the other Settlement Class Members are hereby fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed, on the merits and with prejudice as of the Effective Date of the KPMG Settlement. The Settling Parties shall bear their own costs and expenses, except as otherwise expressly provided in the Stipulation.

8. **Binding Effect:** The terms of the Stipulation and of this Judgment shall be forever binding on the Settling Defendants, Lead Bond/Notes Plaintiffs, Additional Bond/Notes Plaintiffs and all other Settlement Class Members (regardless of whether or not any individual Settlement Class Member submits a Claim Form or seeks or obtains a distribution from the Net Settlement Fund), as well as their respective heirs, executors, administrators, predecessors, successors and assigns.

9. **Releases:** The releases as set forth in Paragraphs 5, 6, 7 and 8 of the Stipulation, together with the definitions contained in Paragraph 1 of the Stipulation relating thereto, are expressly incorporated herein in all respects. Accordingly, this Court orders that:

(a) Without further action by anyone, and subject to paragraph 10 below, upon the Effective Date as to the Wachovia Settlement, Lead Bond/Notes Plaintiffs, Additional Bond/Notes Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, their heirs, executors, administrators, predecessors, successors, affiliates and assigns, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed each and every Released Bond/Notes Claim against the Wachovia Defendants and all other Wachovia Releasees [(other than the Non-Settling Defendants)], and shall forever be enjoined from prosecuting any or all of the Released Bond/Notes Claims against any Wachovia Releasees [(other the Non-Settling Defendants)]. This release shall not apply to any Person who has validly requested exclusion from the Settlement Class as listed on Exhibit A hereto;

(b) Without further action by anyone, and subject to paragraph 10 below, upon the Effective Date as to the Wachovia Settlement, each of the Wachovia Defendants and each of the other Wachovia Releasees [(other than the Non-Settling Defendants)], on behalf of themselves, their

heirs, executors, administrators, predecessors, successors, affiliates and assigns, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed each and every of the Released Wachovia Defendant Persons' Claims against all of the Bond/Notes Plaintiff-Related Releasees and shall forever be enjoined from prosecuting any or all of the Released Wachovia Defendant Persons' Claims against any of the Bond/Notes Plaintiff-Related Releasees. This release shall not apply to any Person who has validly requested exclusion from the Settlement Class as listed on Exhibit A hereto;

(c) Without further action by anyone, and subject to paragraph 10 below, upon the Effective Date as to the KPMG Settlement, Lead Bond/Notes Plaintiffs, Additional Bond/Notes Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, their heirs, executors, administrators, predecessors, successors, affiliates and assigns, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed each and every Released Bond/Notes Claim against KPMG and all other KPMG Releasees, and shall forever be enjoined from prosecuting any or all of the Released Bond/Notes Claims against any KPMG Releasees. This release shall not apply to any Person who has validly requested exclusion from the Settlement Class as listed on Exhibit A hereto; and

(d) Without further action by anyone, and subject to paragraph 10 below, upon the Effective Date as to the KPMG Settlement, KPMG and each of the other KPMG Releasees, on behalf of themselves, their heirs, executors, administrators, predecessors, successors, affiliates and assigns, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and

dismissed each and every of the Released KPMG Defendant Persons' Claims against all of the Bond/Notes Plaintiff-Related Releasees and shall forever be enjoined from prosecuting any or all of the Released KPMG Defendant Persons' Claims against any of the Bond/Notes Plaintiff-Related Releasees. This release shall not apply to any Person who has validly requested exclusion from the Settlement Class as listed on Exhibit A hereto.

10. Notwithstanding ¶¶ 9(a) – (d), above, nothing in this Judgment shall bar any action by any of the Settling Parties to enforce or effectuate the terms of the Stipulation or this Judgment.

11. **Complete Bar Order:**

(a) Any and all Persons are permanently barred, enjoined and restrained, to the fullest extent permitted by applicable law, from commencing, prosecuting or asserting any claim for indemnity or contribution against any Released Defendant Person (or any other claim against any Released Defendant Person where the alleged injury to such Person is that Person's actual or threatened liability to the Settlement Class or a Settlement Class Member in the Action), based upon, arising out of or related to the Released Bond/Notes Claims, whether arising under state, federal or foreign law, as claims, cross-claims, counterclaims, or third-party claims, whether asserted in the Action, in this Court, in any federal or state court, or in any other court, arbitration proceeding, administrative agency, or other forum in the United States or elsewhere. However, with respect to any judgment that the Settlement Class or a Settlement Class Member may obtain against such Person based upon, arising out of or relating to any Released Bond/Notes Claim belonging to the Settlement Class or a Settlement Class Member, that Person shall be entitled to a credit of the greater of (i) an amount that corresponds to the percentage of responsibility of the Settling Defendants for the loss to the Settlement Class or the Settlement Class Member or (ii) the amount paid by or on

behalf of the Settling Defendants to the Settlement Class or the Settlement Class Member for common damages;

(b) Except as provided in Paragraph 12 below, each and every Released Defendant Person is hereby permanently barred, enjoined and restrained, to the fullest extent permitted by applicable law, from commencing, prosecuting or asserting any claim for indemnity or contribution against any Person other than a Person whose liability to the Settlement Class has been extinguished by the Settlement (or any other claim against any such Person where the alleged injury to such Released Defendant Person is that Released Defendant Person's actual or threatened liability to the Settlement Class or a Settlement Class Member in the Action), based upon, arising out of or related to the Released Bond/Notes Claims, whether arising under state, federal, or foreign law, as claims, cross claims, counterclaims, or third-party claims, whether asserted in the Action, in this Court, in any other federal or state court, or in any other court, arbitration proceeding, administrative agency, or other forum in the United States or elsewhere;

(c) Nothing in this Complete Bar Order shall prevent a putative Settlement Member who validly requested an exclusion from the Settlement Class from pursuing any Released Bond/Notes Claim against any Released Defendant Person. If any putative Settlement Class Member who validly requests exclusion from the Settlement Class pursues any such Released Bond/Notes Claim against any Released Defendant Person, nothing in this Complete Bar Order or in the Stipulation shall operate to preclude such Released Defendant Person from asserting any claim of any kind against such putative Settlement Class Member (or seeking contribution or indemnity from any Person, including any co-defendant in the Action, in respect of the claim of such putative Settlement Class Member who validly requests exclusion from the Settlement Class);

(d) Notwithstanding anything to the contrary in this Complete Bar Order, in the event that any Person (for purposes of this provision, a “petitioner”) commences against any of the Released Defendant Persons any action asserting a claim that is based upon, arises out of, or relates to any Released Bond/Notes Claim belonging to the Settlement Class or a Settlement Class Member and such claim is not barred by a court pursuant to this Complete Bar Order or is not otherwise barred by the Complete Bar Order, the Complete Bar Order shall not bar claims by that Released Defendant Person against (i) such petitioner; (ii) any Person who is or was controlled by, controlling or under common control with the petitioner, or whose assets or estate are or were controlled, represented or administered by the petitioner, or as to whose claims the petitioner has succeeded; and (iii) any Person that participated with any of the Persons described in items (i) and (ii) of this provision in connection with the conduct, transactions or occurrences that are the subject of the claim brought against the Released Defendant Person(s), or any Person that was involved in the issues and damages alleged by the petitioner. Nothing in this paragraph shall be deemed to create a claim or cause of action against a petitioner or any other Person described in this paragraph;

(e) Nothing in this Complete Bar Order alters the rights between and among the Wachovia Defendants and the Underwriter Defendants under the terms of any written agreements governing the underwritings and the underwriting syndicates involved in the Action, as to which claims are not barred, released or discharged. Under this Complete Bar Order, barred claims do not include any claims for contribution or indemnity arising under the underwriting agreements relating to the offerings of Bond Class Securities or any other claims for contribution or indemnity between and among the Underwriter Defendants and Wachovia.

12. Notwithstanding anything in Paragraph 11 above, nothing in the Stipulation or in Paragraph 11 above shall operate to (a) preclude the Settling Defendants from asserting any claims

against their own insurers; or (b) preclude the Settling Defendants or any other Person from asserting any claims, including claims for contribution or indemnity, against any Person, including any co-defendants in this Action, in connection with or arising out of the following actions: (i) *In re Wachovia Equity Securities Litigation*, No. 08 Civ. 6171 (S.D.N.Y.) (RJS); (ii) *Stichting Pensioenfonds ABP, et al. v. Wachovia Corporation, et al.*, No. 09 Civ. 04473 (S.D.N.Y.) (RJS); and (iii) *FC Holdings AB, et al. v. Wells Fargo & Co., et al.*, No. 09 Civ. 5466 (S.D.N.Y.) (RJS).

13. **Rule 11 Findings:** The Court finds and concludes that the Settling Parties and their respective counsel have complied in all respects with the requirements of Rule 11 of the Federal Rules of Civil Procedure in connection with the commencement, maintenance, prosecution, defense and settlement of the Action.

14. **No Admissions:** Neither this Judgment nor the Stipulation or its negotiations or any proceedings take pursuant to it:

(a) shall be offered against any of the Released Defendant Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Released Defendant Persons with respect to the truth of any fact alleged by Lead Bond/Notes Plaintiffs and/or Additional Bond/Notes Plaintiffs or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Released Defendant Persons;

(b) shall be offered against any of the Released Defendant Persons 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 any of the Released Defendant Persons, or by the Released Defendant Persons against Lead Bond/Notes Plaintiffs or any other Settlement Class

Members as evidence of any infirmity in the claims of Lead Bond/Notes Plaintiffs or the other Settlement Class Members;

(c) shall be offered by Bond/Notes Plaintiffs against any of the Released Defendant Persons, or by the Released Defendant Persons against Bond/Notes Plaintiffs or any other Settlement Class Members, as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Released Defendant Persons, or against the Lead Bond/Notes Plaintiffs or any other Settlement Class Members in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; provided, however, that the Settling Defendants, any other Released Defendant Person, Lead Bond/Notes Plaintiffs, the other Settlement Class Members and their respective counsel may refer to the Stipulation to effectuate the protections from liability granted thereunder or otherwise to enforce the terms of either of the Settlements;

(d) shall be construed by any of the Settling Parties against any of the Released Defendant Persons, Bond/Notes Plaintiffs or any other Settlement Class Members as an admission, concession, or presumption that the consideration to be given under the Settlements represents the amount which could be or would have been recovered after trial; and

(e) shall be construed by any of the Settling Parties against Lead Bond/Notes Plaintiffs or any other Settlement Class Members as an admission, concession, or presumption that any of their claims are without merit, that any of the Released Defendant Persons had meritorious affirmative defenses, or that damages recoverable under the Amended Bond/Notes Complaint would not have exceeded the Total Settlement Amount or either of the Settlement Amounts.

15. **Retention of Jurisdiction:** Without affecting the finality of this Judgment in any way, this Court retains continuing and exclusive jurisdiction over: (a) the Settling Parties for purposes of the administration, interpretation, implementation and enforcement of the Settlements; (b) the disposition of the Settlement Fund; (c) any motion for an award of attorneys' fees and/or Litigation Expenses by Lead Bond/Notes Counsel in the Action that will be paid from the Settlement Fund; (d) any motion to approve the Plan of Allocation; (e) any motion to approve the distribution of the Net Settlement Fund to Authorized Claimants; and (f) the Settlement Class Members for all matters relating to the Action.

16. Separate orders shall be entered regarding approval of a plan of allocation and the motion of Lead Bond/Notes Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses. Such orders shall in no way affect or delay the finality of this Judgment and shall not affect or delay the Effective Date of either of the Settlements.

17. **Modification of the Agreements of Settlement:** Without further approval from the Court, Lead Bond/Notes Plaintiffs and the Settling Defendants are hereby authorized to agree to and adopt such amendments or modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlements that: (i) are not materially inconsistent with this Judgment; and (ii) do not materially limit the rights of Settlement Class Members in connection with the Settlements. Without further order of the Court, Lead Bond/Notes Plaintiffs and the Settling Defendants may agree to reasonable extensions of time to carry out any provisions of the Settlements. To the extent that amendments or modifications are sought which affect only (a) the Wachovia Settlement or (b) the KPMG Settlement, such amendments or modifications shall require the agreement of only (i) Lead Bond/Notes Plaintiffs and the Wachovia Defendants or (ii) Lead Bond/Notes Plaintiffs and KPMG, respectively.

18. **Termination:** The Court finds that each of the Settlements, as set forth in the Stipulation and approved in this Judgment, (i) between Lead Bond/Notes Plaintiffs and the Wachovia Defendants and (ii) Lead Bond/Notes Plaintiffs and KPMG were negotiated separately and independently from each other. The Court further directs that either Settlement shall proceed separately if one Settlement is terminated for reasons that do not affect the other Settlement. If one of the Settlements is terminated as provided in the Stipulation or the Effective Date does not occur as to such Settlement, then (a) this Judgment (and any orders of the Court relating to such Settlement) shall be vacated, rendered null and void and be of no further force or effect with respect to such Settlement only, to the extent provided for in the Stipulation; and (b) the terms of this Judgment (and all other orders of the Court relating to the other Settlement), and of the Stipulation, shall remain in full force and effect with respect to implementation, consummation and enforcement of the other Settlement.

19. **Entry of Final Judgment:** There is no just reason to delay the entry of this Judgment as a final judgment as against the Released Defendants. Accordingly, the Clerk of the Court is expressly directed to immediately enter this final judgment as against the Released Defendants.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

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The Honorable Richard J. Sullivan  
United States District Judge

#563021

# **Exhibit 2**

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

IN RE WACHOVIA PREFERRED SECURITIES  
AND BOND/NOTES LITIGATION

Master File No. 09 Civ. 6351 (RJS)

**ECF Case**

**[PROPOSED] ORDER PRELIMINARILY APPROVING  
PROPOSED SETTLEMENTS AND PROVIDING FOR NOTICE**

WHEREAS, a consolidated class action is pending in this Court entitled *In re Wachovia Preferred Securities and Bond/Notes Litigation*, Master File No. 09 Civ. 6351 (S.D.N.Y.) (RJS) (the “Bond/Notes Action” or “Action”);

WHEREAS, Lead Bond/Notes Plaintiffs Orange County Employees’ Retirement System, Louisiana Sheriffs’ Pension and Relief Fund, and Southeastern Pennsylvania Transportation Authority, individually and on behalf of the proposed Settlement Class (as hereinafter defined); defendants Wachovia Corporation (“Wachovia”), Wachovia Capital Trust IV, Wachovia Capital Trust IX, Wachovia Capital Trust X, Wachovia Capital Markets, LLC, Wells Fargo Securities, LLC, A.G. Edwards & Sons, Inc., Wells Fargo & Company (as successor-in-interest to Wachovia), G. Kennedy Thompson, Peter M. Carlson, Ross E. Jeffries, Jr., David M. Julian, Mark C. Treanor, Donald K. Truslow, Thomas J. Wurtz, John D. Baker, II, Robert J. Brown, Peter C. Browning, John T. Casteen, III, Jerome A. Gitt, William H. Goodwin, Jr., Maryellen C. Herringer, Robert A. Ingram, Donald M. James, Mackey J. McDonald, Joseph Neubauer, Timothy D. Proctor, Ernest S. Rady, Van L. Richey, Ruth G. Shaw, Lanty L. Smith, John C. Whitaker, Jr., and Dona Davis Young (collectively, the “Wachovia Defendants”); and defendant KPMG LLP (“KPMG” and together with

the Wachovia Defendants, the “Settling Defendants”) have entered into a Stipulation and Agreements of Settlement dated August 5, 2011 (the “Stipulation”), which is subject to review by the Court 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 following two settlements (collectively, the “Settlements”):

(1) The Wachovia Settlement, consisting of a settlement between (a) Lead Bond/Notes Plaintiffs, individually and on behalf of the proposed Settlement Class, and (b) the Wachovia Defendants, which provides for the proposed settlement of the claims asserted in the Bond/Notes Action against the Wachovia Defendants and the Underwriter Defendants on the merits and with prejudice, upon the terms and conditions set forth in the Stipulation; and

(2) The KPMG Settlement, consisting of a settlement between (a) Lead Bond/Notes Plaintiffs, individually and on behalf of the proposed Settlement Class, and (b) KPMG, which provides for the proposed settlement of the claims asserted in the Bond/Notes Action against KPMG on the merits and with prejudice, upon the terms and conditions set forth in the Stipulation.

WHEREAS, Lead Bond/Notes Plaintiffs have made an application, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for an order preliminarily approving the Settlements in accordance with the Stipulation, certifying the Settlement Class for purposes of settlement only, and approving notice to the Settlement Class as more fully described herein;

WHEREAS, the Court having read and considered the Stipulation and the exhibits thereto, including the proposed (a) Notice; (b) Claim Form; (c) Summary Notice; and (d) Judgment and the

submissions relating thereto, and finding that substantial and sufficient grounds exist for entering this Order; and

WHEREAS, unless otherwise defined herein, all capitalized words contained herein shall have the same meanings as they have in the Stipulation;

NOW THEREFORE, IT IS HEREBY ORDERED:

1. **Settlement Class Certification** – Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure and for purposes of settlement only, the Bond/Notes Action is hereby certified as a class action on behalf of all Persons who purchased or otherwise acquired Bond Class Securities during the Settlement Class Period, and were damaged thereby (the “Settlement Class”). Excluded from the Settlement Class are all Defendants in the Action and their respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any entity in which any Defendant has or had a controlling interest, and any Person who has entered into a tolling agreement in connection with this Action and his, her or its respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any entity in which any such Person has or had a controlling interest, provided that any Investment Vehicle shall not be deemed an excluded Person by definition. Also excluded from the Settlement Class are any Persons who timely and validly request exclusion from the Settlement Class in accordance with the requirements set forth in the Notice to be sent to Settlement Class Members pursuant to this Order.

2. **Settlement Class Findings** – The Court finds, for purposes of settlement only, that each of the prerequisites for certifying the Action as a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure has been satisfied in that: (a) the number of Settlement Class

Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Settlement Class which predominate over any individual questions; (c) the claims of the Lead Bond/Notes Plaintiffs are typical of the claims of the Settlement Class; (d) Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel have and will fairly and adequately represent the interests of the Settlement Class; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the Action.

3. The Court hereby finds and concludes that pursuant to Rule 23 of the Federal Rules of Civil Procedure and for purposes of settlement only, Lead Bond/Notes Plaintiffs Orange County Employees' Retirement System, Louisiana Sheriffs' Pension and Relief Fund, and Southeastern Pennsylvania Transportation Authority, are adequate class representatives and certifies them as class representatives on behalf of the Settlement Class and Lead Bond/Notes Counsel are hereby appointed as co-lead counsel for the Settlement Class.

4. **Preliminary Approval of the Settlements** – The Court hereby preliminarily approves both the Wachovia Settlement and the KPMG Settlement, as embodied in the Stipulation, as being fair, reasonable and adequate, and in the best interest of Lead Bond/Notes Plaintiffs and the other Settlement Class Members, subject to further consideration at the Settlement Hearing to be conducted as described below.

5. **Settlement Hearing** – The Court will hold a settlement hearing (the “Settlement Hearing”) on \_\_\_\_\_, 2011 at \_\_: \_\_ .m. at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 21C, New York, NY 10007-1312, for the following purposes: (a) to determine whether each proposed Settlement, on the terms and conditions provided for in the Stipulation, is fair, reasonable and adequate, and should be approved by the Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit B to the Stipulation

should be entered dismissing the Action with prejudice against the Released Defendants; (c) to determine whether the proposed Plan of Allocation for the proceeds of each Settlement is fair and reasonable and should be approved; (d) to determine whether the motion by Lead Bond/Notes Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved; and (e) to consider any other matters that may properly be brought before the Court in connection with the Settlements. Notice of the Settlements and the Settlement Hearing shall be given to Settlement Class Members as set forth in Paragraph 7 of this Order.

6. The Court may adjourn the Settlement Hearing and approve the proposed Settlements with such modifications as the affected Settling Parties may agree to, if appropriate, without further notice to the Settlement Class.

7. **Retention of Claims Administrator and Manner of Notice** – Lead Bond/Notes Counsel are hereby authorized to retain The Garden City Group, Inc. (the “Claims Administrator”) to supervise and administer the notice procedure as well as the processing of Claims as more fully set forth below. Notice of the Settlements and the Settlement Hearing shall be given by Lead Bond/Notes Counsel as follows:

(a) not later than fifteen (15) business days after entry of this Order (the “Notice Date”), the Claims Administrator shall cause a copy of the Notice and the Claim Form, substantially in the forms attached hereto as Exhibits 1 and 2, respectively (the “Notice Packet”), to be mailed by first-class mail to Settlement Class Members at the addresses set forth in the records of Wachovia or its transfer agent(s), or who otherwise may be identified through further reasonable effort;

(b) within seven (7) business days of the date of entry of this Order, Wachovia shall provide or cause to be provided to the Claims Administrator (at no cost to the Settlement Fund, Bond/Notes Plaintiffs, Bond/Notes Plaintiffs' Counsel or the Claims Administrator) its security

holder lists (consisting of security holder names and addresses), in electronic form identifying all Persons who held any of the Bond Class Securities during the Settlement Class Period;

(c) not later than ten (10) business days after the Notice Date, the Claims Administrator shall cause the Summary Notice, substantially in the form attached hereto as Exhibit 3, to be published once in the national editions of *The Wall Street Journal* and *The New York Times* and once in the *Financial Times* and to be transmitted once over the *PR Newswire*; and

(d) not later than seven (7) calendar days prior to the Settlement Hearing, Lead Bond/Notes Counsel shall serve on Settling Defendants' Counsel and file with the Court proof, by affidavit or declaration, of such mailing and publication.

8. **Approval of Form and Content of Notice** – The Court (a) approves, as to form and content, the Notice, the Claim Form, and the Summary Notice, attached hereto as Exhibits 1, 2, and 3, respectively, and (b) finds that the mailing and distribution of the Notice and Claim Form and the publication of the Summary Notice in the manner and form set forth in Paragraph 7 of this Order (i) is the best notice practicable under the circumstances, (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the Action, of the effect of the proposed Settlements (including the Releases contained therein) and of their right to object to any aspect of the proposed Settlements (namely, to any aspect of the Wachovia Settlement, the KPMG Settlement, or of both), exclude themselves from the Settlement Class and appear at the Settlement Hearing; (iii) constitutes due, adequate and sufficient notice to all Persons entitled to receive notice of the proposed Settlements; and (iv) satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure, due process, the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 77z-1(a)(7), the Rules of the Court, and all other applicable law

and rules. The date and time of the Settlement Hearing shall be included in the Notice and Summary Notice before they are mailed and published, respectively.

9. **Nominee Procedures** – Brokers and other nominees who purchased or acquired Bond Class Securities during the Settlement Class Period for the benefit of another Person shall forward the Notice Packet to all such beneficial owners within ten (10) calendar days after receipt thereof, or send a list of the names and addresses of such beneficial owners to the Claims Administrator within ten (10) calendar days of receipt thereof in which event the Claims Administrator shall promptly mail the Notice Packet to such beneficial owners. Upon full compliance with this Order, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with this Order by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Such properly documented expenses incurred by nominees in compliance with the terms of this Order shall be paid from the Settlement Fund, with any disputes as to the reasonableness or documentation of expenses incurred subject to review by the Court.

10. **Participation in the Settlements** – Settlement Class Members who wish to participate in the Settlements and to be eligible to receive a distribution from the Net Settlement Fund must complete and submit a Claim Form in accordance with the instructions contained therein. Unless the Court orders otherwise, all Claim Forms must be postmarked no later than one hundred and twenty (120) calendar days after the Notice Date. Notwithstanding the foregoing, Lead Bond/Notes Counsel may, at their discretion, accept for processing and payment late claims provided such acceptance does not materially delay the distribution of the Net Settlement Fund to the Settlement Class. By submitting a Claim, a person or entity shall be deemed to have submitted to

the jurisdiction of the Court with respect to his, her or its Claim and the subject matter of the Settlements.

11. Each Claim Form submitted must satisfy the following conditions: (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the preceding paragraph; (ii) it must be accompanied by adequate supporting documentation for the transactions reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by Lead Bond/Notes Counsel or the Claims Administrator; (iii) if the person executing the Claim Form is acting in a representative capacity, a certification of his, her or its current authority to act on behalf of the Settlement Class Member must be included in the Claim Form to the satisfaction of Lead Bond/Notes Counsel or the Claims Administrator; and (iv) the Claim 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.

12. Any Settlement Class Member that does not timely and validly submit a Claim Form or whose claim is not otherwise approved by the Court: (a) shall be deemed to have waived his, her or its right to share in the Net Settlement Fund; (b) shall forever be barred from participating in any distributions therefrom; (c) shall be bound by the provisions of the Stipulation and the Settlements and all proceedings, determinations, orders and judgments in the Action relating thereto, including, without limitation, the Judgment or Alternative Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be barred from commencing, maintaining or prosecuting any of the Released Bond/Notes Claims against each and all of the Released Defendant Persons, as more fully described in the Stipulation and Notice.

Notwithstanding any of the foregoing, Lead Bond/Notes Counsel may accept late submitted Claims for processing so long as the distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed thereby.

13. **Exclusion From the Settlement Class** – Any member of the Settlement Class who wishes to exclude himself, herself or itself from the Settlement Class must request exclusion in writing within the time and in the manner set forth in the Notice, which shall provide that: (a) any such request for exclusion from the Settlement Class must be mailed or delivered such that it is received no later than twenty (20) calendar days prior to the Settlement Hearing, to: *In re Wachovia Preferred Securities and Bond/Notes Litigation*, EXCLUSIONS, c/o GCG, Inc., P.O. Box 9804, Dublin, Ohio 43017-5704; and (b) that each request for exclusion must (i) state the name, address and telephone number of the person or entity requesting exclusion; (ii) state that such person or entity “requests exclusion from the Settlement Class in *In re Wachovia Preferred Securities and Bond/Notes Litigation*, Master File No. 09 Civ. 6351 (RJS)”; (iii) state the number of each Bond Class Security (in terms of shares or face value of notes) that the person or entity requesting exclusion purchased/acquired during the Settlement Class Period, as well as any sales/dispositions during the Settlement Class Period or thereafter through the close of trading on the day before the date of execution of the Stipulation, as well as the dates and prices of each such purchase/acquisition and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be effective unless it provides all the required information and is received within the time stated above, or is otherwise accepted by the Court. Any request for exclusion that complies with these terms shall be treated as a request for exclusion from the Settlement Class in connection with both Settlements, as Settlement Class Members are not permitted to opt out of one Settlement and participate in the other Settlement.

14. Any person or entity who or which timely and validly requests exclusion from the Settlement Class, in compliance with the terms stated in this Order, and is excluded from the Settlement Class shall not be a Settlement Class Member, shall not be bound by the terms of the Settlements or the Stipulation, and shall have no right to receive any payment out of the Net Settlement Fund.

15. Any Settlement Class Member who or which does not timely and validly request exclusion from the Settlement Class in the manner stated in this Order: (a) shall be deemed to have waived his, her or its right to be excluded from the Settlement Class; (b) shall be forever barred from requesting exclusion from the Settlement Class in this or any other proceeding; (c) shall be bound by the provisions of the Stipulation and the Settlements and all proceedings, determinations, orders and judgments in the Action, including, but not limited to, the Judgment or Alternative Judgment, if applicable, and the Releases provided for therein, whether favorable or unfavorable to the Settlement Class; and (d) will be barred from commencing, maintaining or prosecuting any of the Released Bond/Notes Claims against any of Released Defendant Persons, as more fully described in the Stipulation and Notice.

16. **Appearance and Objections at Settlement Hearing** – Any Settlement Class Member who does not request exclusion from the Settlement Class may enter an appearance in the Action, at his, her or its own expense, individually or through counsel of his, her or its own choice, by filing with the Clerk of Court and delivering a notice of appearance to representative Lead Bond/Notes Counsel, Counsel for the Wachovia Defendants and/or Counsel for KPMG, as applicable, as set forth in paragraph 17 below, such that it is received no later than twenty (20) calendar days prior to the Settlement Hearing, or as the Court may otherwise direct. Any Settlement Class Member who does not enter an appearance will be represented by Lead Bond/Notes Counsel.

17. Any Settlement Class Member who does not request exclusion from the Settlement Class may file written objections to any aspect of the proposed Settlements (namely, any aspect of the Wachovia Settlement, the KPMG Settlement, or both), the proposed Plan of Allocation, and/or the motion for an award of attorneys’ fees and reimbursement of Litigation Expenses and appear and show cause, if he, she or it has any cause, why the proposed Settlements, the proposed Plan of Allocation and/or the motion for attorneys’ fees and reimbursement of Litigation Expenses should not be approved; *provided, however*, that no Settlement Class Member shall be heard or entitled to contest the approval of the terms and conditions of any aspect of the proposed Settlements, the proposed Plan of Allocation, and/or the motion for attorneys’ fees and reimbursement of Litigation Expenses unless that person or entity has filed written objections with the Court and served copies of such objections on the designated representative Lead Bond/Notes Counsel and on counsel for the relevant Settling Defendants at the addresses set forth below such that they are received no later than twenty (20) calendar days prior to the Settlement Hearing.

<b><u>Representative Lead Bond/Notes Counsel</u></b>	<b><u>Counsel for the Wachovia Defendants</u></b>	<b><u>Counsel for KPMG</u></b>
William C. Fredericks, Esq. Bernstein Litowitz Berger & Grossmann LLP 1285 Avenue of the Americas New York, NY 10019	Douglas H. Flaum, Esq. Israel David, Esq. Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, New York 10004	John K. Villa, Esq. Williams & Connolly LLP 725 Twelfth Street, N.W. Washington, D.C. 20005

18. Any objections, filings and other submissions by the objecting Settlement Class Member (a) must contain a statement of his, her or its objections, as well as the specific reasons for each objection, including the legal and evidentiary support the Settlement Class Member wishes to bring to the Court’s attention; and (b) must include documents sufficient to prove membership in the Settlement Class, as defined above in Paragraph 1, including the number (in terms of shares or face

value of notes) of each Bond Class Security that the objecting Settlement Class Member purchased/acquired during the Settlement Class Period, as well as sales of such securities during the Settlement Class Period or thereafter through the close of trading on the day before the date of execution of the Stipulation, along with the dates and prices of each such purchase and sale.

19. Any Settlement Class Member who does not make his, her or its objection in the manner provided herein shall be deemed to have waived his, her or its right to object to any aspect of the proposed Settlements, the proposed Plan of Allocation, and the motion for attorneys' fees and reimbursement of Litigation Expenses and shall forever be barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlements, the Plan of Allocation or the requested attorneys' fees and Litigation Expenses, or from otherwise being heard concerning the Settlements, the Plan of Allocation or the requested attorneys' fees and Litigation Expenses in this or any other proceeding.

20. **Stay** – Unless otherwise ordered by the Court, the Court stays all proceedings in the Action other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation. Pending final determination of whether the Settlements should be approved, the Court enjoins Lead Bond/Notes Plaintiffs, Additional Bond/Notes Plaintiffs and all other Settlement Class Members from commencing, prosecuting or asserting any claim against any of the Released Defendant Persons that is a Released Bond/Notes Claim or that would be barred pursuant to paragraph 34 of the Stipulation.

21. **Settlement Administration Fees and Expenses** – All reasonable costs incurred in identifying and notifying Settlement Class Members as well as in administering the Settlements shall be paid as set forth in the Stipulation without further order of the Court.

22. **Settlement Fund** – The contents of the Settlement Fund held by the New York branch of Citibank, N.A. (which the Court approves as the Escrow Agent), shall be deemed and considered to be *in custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as they shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

23. **Taxes** – Lead Bond/Notes Counsel are authorized and directed to prepare any tax returns and any other tax reporting form for or in respect of the Settlement Fund, to pay from the Settlement Fund any Taxes owed with respect to the Settlement Fund, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect thereof without further order of the Court in a manner consistent with the provisions of the Stipulation.

24. **Termination** – The Court finds that the Settlements set forth in the Stipulation (i) between Lead Bond/Notes Plaintiffs and the Wachovia Defendants and (ii) between Lead Bond/Notes Plaintiffs and KPMG, respectively, were negotiated separately and independently from each other, and that accordingly either Settlement may and shall proceed separately if one Settlement is terminated for reasons that do not affect the other Settlement. If either of the Settlements is terminated, or is not approved, or the Effective Date as to one of the Settlements does not occur, this Order shall become null and void as to that Settlement only, and shall be without prejudice to the rights of Lead Bond/Notes Plaintiffs, the Settlement Class Members and the affected Defendants, all of whom shall be restored to their respective positions in the Action, as provided for in the Stipulation.

25. **Use of this Order** –Neither this Order nor either of the proposed Settlements (including the Stipulation or any of its respective terms, or any aspect of any of the negotiations, discussions and proceedings in connection with the negotiation of and/or efforts to consummate the

Stipulation or either of the Settlements): (a) shall be offered in evidence or used for any other purpose in this or any other proceeding in any court, administrative agency, arbitration forum, or other tribunal other than as may be necessary to enforce the terms of this Order and/or the respective proposed Settlements; (b) shall be described as, construed as, interpreted as or offered against the Settling Defendants as evidence of and/or deemed to be evidence of any presumption, concession, or admission by Settling Defendants as to any liability, negligence, fault, wrongdoing on their part or the validity of any claim by Lead Bond/Notes Plaintiffs or the merits of any of their defenses; and (c) shall be described as, construed as, interpreted as, or offered against Lead Bond/Notes Plaintiffs or any Settlement Class Member as evidence of any infirmity in the claims of Lead Bond/Notes Plaintiffs and the Settlement Class, or as evidence that the damages recoverable from the respective Settling Defendants would not have exceeded the Total Settlement Amount or the individual Settlement Amounts.

26. **Supporting Papers** – Lead Bond/Notes Counsel shall file and serve papers in support of the proposed Settlements, the Plan of Allocation, and Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses no later than thirty-five (35) calendar days prior to the Settlement Hearing; and reply papers, if any, shall be filed and served no later than seven (7) calendar days prior to the Settlement Hearing.

27. The Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlements.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

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The Honorable Richard J. Sullivan  
United States District Judge

# **Exhibit 1**

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

IN RE WACHOVIA PREFERRED SECURITIES  
AND BOND/NOTES LITIGATION

Master File No. 09 Civ. 6351 (RJS)

**ECF Case**

**NOTICE OF (I) PENDENCY OF CLASS ACTION; (II) PROPOSED SETTLEMENTS AND PLAN OF ALLOCATION; (III) SETTLEMENT FAIRNESS HEARING; AND (IV) MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

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

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned class action lawsuit pending in this Court (the "Action") if you purchased or otherwise acquired any of following securities (the "Bond Class Securities") issued by Wachovia Corporation ("Wachovia" or the "Company") from the dates they were first offered to the public for sale through and including February 27, 2009 (the "Settlement Class Period"), and were damaged thereby:<sup>1</sup>

6.375% Wachovia Capital Trust IV Trust Preferred Securities (CUSIP 92978U207)	Three-Month LIBOR Floating Rate Subordinated Notes Due October 15, 2016 (CUSIP 929903CJ9)
6.375% Wachovia Capital Trust IX Trust Preferred Securities (CUSIP 92978X201)	Three-Month LIBOR Floating Rate Senior Notes Due December 1, 2009 (CUSIP 92976WBC9)
7.85% Wachovia Capital Trust X Trust Preferred Securities (CUSIP 92979K208)	Three-Month LIBOR Floating Rate Notes Due April 23, 2012 (CUSIP 929903DF6)
8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J (CUSIP 929903276)	Three-Month LIBOR Floating Rate Notes Due June 15, 2017 (CUSIP 929903DU3)
Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K (CUSIP 929403243, later denominated 929903EF5)	5.75% Notes Due June 15, 2017 (CUSIP 929903DT6)
7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L (CUSIP 929903219)	Three-Month LIBOR Floating Rate Notes Due July 26, 2010 (CUSIP 92976WBD7)
Three-Month LIBOR Floating Rate Notes Due August 1, 2013 (CUSIP 92976WBB1)	Three-Month LIBOR Floating Rate Notes Due August 20, 2009 (CUSIP 929903EC2)
5.70% Notes Due August 1, 2013 (CUSIP 92976WBA3)	Three-Month LIBOR Floating Rate Notes Due November 24, 2009 (CUSIP 92976WBG0)
Three-Month LIBOR Floating Rate Notes Due October 15, 2011 (CUSIP 929903CG5)	5.75% Notes due February 1, 2018 (CUSIP 92976WBH8)
5.30% Notes Due October 15, 2011 (CUSIP 929903CF7)	5.50% Fixed Rate Notes Due May 1, 2013 (CUSIP 92976WBK1)
5.625% Subordinated Notes Due October 15, 2016 (CUSIP 929903CH3)	Three Month LIBOR Floating Rate Notes due May 1, 2013 (CUSIP 92976WBK1)

<sup>1</sup> Any capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreements of Settlement dated August 5, 2011 (the "Stipulation"), which is available on the website established for the Settlements at [www.\\_\\_\\_\\_\\_.com](http://www._____.com).

**Please note that the Bond Class Securities do not include Wachovia common stock or any other securities that are not listed above. Wachovia common stock is the subject of a separate class action suit, *In re Wachovia Equity Securities Litigation*, No. 08 Civ. 6171 (RJS) (S.D.N.Y), which is not part of the Settlements described in this Notice.**

**NOTICE OF SETTLEMENTS:** Please also be advised that the Court-appointed Lead Bond/Notes Plaintiffs, Orange County Employees' Retirement System ("Orange County"), Louisiana Sheriffs' Pension and Relief Fund ("Louisiana Sheriffs"), and Southeastern Pennsylvania Transportation Authority ("SEPTA"), on behalf of themselves and the Settlement Class (as defined in paragraph 32 below), have reached agreements to settle the Action for settlement payments totaling \$627 million in cash, plus interest thereon, consisting of: (i) a \$590 million cash settlement with the Wachovia Defendants (identified in paragraph 1 below) (the "Wachovia Settlement"); and (ii) a \$37 million cash settlement with defendant KPMG LLP ("KPMG") (the "KPMG Settlement") (collectively, the "Settlements").<sup>2</sup> If the Settlements are approved by the Court, all claims in the Action by the Settlement Class Members (defined in paragraph 32 below) against the Settling Defendants, as well as other Released Defendant Persons, identified in paragraph 74 below, will be resolved.

**PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlements. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.**

1. **Overview of the Action and the Settlement Class:** This Notice relates to the proposed Settlements of the claims in a pending class action lawsuit brought by investors alleging that they suffered damages as a result of material misrepresentations and omissions in the offering materials for each of the Bond Class Securities in violation of the federal Securities Act of 1933. A more detailed description of the Action is set forth in paragraphs 14-31 below. The "Defendants" in the Action are: (a) Wachovia, Wachovia Capital Trust IV, Wachovia Capital Trust IX, Wachovia Capital Trust X, Wachovia Capital Markets, LLC, Wells Fargo Securities, LLC, A.G. Edwards & Sons, Inc., Wells Fargo & Company ("Wells Fargo") (as successor-in-interest to Wachovia), G. Kennedy Thompson, Peter M. Carlson, Ross E. Jeffries, Jr., David M. Julian, Mark C. Treanor, Donald K. Truslow, Thomas J. Wurtz, John D. Baker, II, Robert J. Brown, Peter C. Browning, John T. Casteen, III, Jerome A. Gitt, William H. Goodwin, Jr., Maryellen C. Herringer, Robert A. Ingram, Donald M. James, Mackey J. McDonald, Joseph Neubauer, Timothy D. Proctor, Ernest S. Rady, Van L. Richey, Ruth G. Shaw, Lanty L. Smith, John C. Whitaker, Jr., and Dona Davis Young (collectively, the "Wachovia Defendants"); (b) the Underwriter Defendants<sup>3</sup>; and (c) KPMG.

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<sup>2</sup> The Wachovia Defendants and KPMG are collectively referred to herein as the "Settling Defendants".

<sup>3</sup> The "Underwriter Defendants" are: Banc of America Securities LLC, Barclays Capital Inc., BB&T Capital Markets, Citigroup Global Markets, Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., Guzman & Company, Jackson Securities, LLC, Loop Capital Markets, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co., Incorporated, M.R. Beal & Company, Muriel Siebert & Co., Inc., Samuel A. Ramirez & Company, Inc., Sandler O'Neill & Partners, L.P., UBS Securities LLC, The Williams Capital Group, L.P., ABN AMRO Inc., Bank of America Corp. (as successor-in-interest to Countrywide Securities Corp.), B.C. Ziegler and Company, Bear, Stearns & Co., Inc., BNP Paribas Securities Corp., Cabrera Capital Markets, LLC, CastleOak Securities, L.P., Charles Schwab & Co., Inc., C.L. King & Associates, Inc., Comerica Securities, Inc., Countrywide Securities Corp., D.A. Davidson & Co., Davenport & Company LLC, E\*TRADE Securities LLC, Ferris, Baker Watts, Inc. (n/k/a RBC Capital Markets Corporation), Fidelity Capital Markets Services (a division of National Financial Services LLC), Fifth Third Securities, Inc., Fixed Income Securities, L.P., FTN Financial Securities Corp., Greenwich Capital Markets, Inc., Howe Barnes Hoefer & Arnett, Inc., H&R Block Financial Advisors, Inc. (n/k/a Ameriprise Advisor Services, Inc.), HSBC Securities (USA) Inc., Janney Montgomery Scott LLC, J.B. Hanauer & Co, Jefferies & Company, Inc., J.J.B. Hilliard, W.L. Lyons, Inc., JPMorgan Chase (as successor-in-interest to Bear, Stearns & Co., Inc.), J.P. Morgan Securities LLC f/k/a JP Morgan Securities Inc. (as successor-in-interest to Bear, Stearns & Co., Inc.), JVB Financial Group, LLC, Keefe, Bruyette & Woods, Inc., KeyBanc Capital Markets Inc., Mesirow Financial, Inc., Morgan Keegan & Company, Inc., NatCity Investments, Inc., Oppenheimer & Co. Inc., PNC Investments, LLC (as successor-in-interest to NatCity Investments, Inc.), Pershing LLC, Piper Jaffray & Co., Popular Securities, Inc., RBC Capital Markets Corporation, RBC Dain Rauscher Inc. (n/k/a RBC Capital Markets

The proposed Wachovia Settlement provides for the release of claims against the Wachovia Defendants and the Underwriter Defendants, as well as other parties related to the Wachovia Defendants and the Underwriter Defendants, as specified in the Stipulation.<sup>4</sup> The proposed KPMG Settlement provides for the release of claims against Defendant KPMG, as well as parties related to KPMG, as also specified in the Stipulation. All persons and entities who purchased or otherwise acquired Bond Class Securities during the Settlement Class Period and were damaged thereby, except for certain persons and entities who are excluded from the Settlement Class by definition (*see* paragraph 32 below) or persons and entities who validly elect to exclude themselves from the Settlement Class (*see* paragraphs 82-84 below) will be affected by the Settlements, if they are approved by the Court, and may be eligible to receive a payment from the Settlements.

2. **Statement of the Settlement Class's Recovery:** Subject to approval by the Court, and as described more fully below, Lead Bond/Notes Plaintiffs, on behalf of themselves and the Settlement Class, have agreed to settle all claims asserted against the Defendants in the Action in exchange for a total of \$627 million in cash. Lead Bond/Notes Plaintiffs have agreed to settle with the Wachovia Defendants, and to include the Underwriter Defendants as released parties, for \$590 million in cash (the "Wachovia Settlement Amount"), and have agreed to settle with KPMG for \$37 million in cash (the "KPMG Settlement Amount," and together with the Wachovia Settlement Amount, the "Settlement Amounts"). The Settlement Amounts will be deposited into an interest-bearing escrow account for the benefit of the Settlement Class Members. The Settlement Amounts together with all interest earned thereon while on deposit in the escrow account are referred to as the "Settlement Fund". The "Net Settlement Fund" (the Settlement Fund less any Taxes, any Notice and Administration Costs and any attorneys' fees and Litigation Expenses awarded by the Court) will be distributed in accordance with the plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among Settlement Class Members who are eligible to participate in the distribution of the Net Settlement Fund and who submit a timely and valid Proof of Claim and Release form (a "Claim Form"). The proposed plan of allocation (the "Plan of Allocation") is included in this Notice at pages [ ]-[ ] below.

3. **Estimate of Average Amount of Recovery Per Share or Note:** Based on Lead Bond/Notes Plaintiffs' damages expert's estimates of the number of Bond Class Securities purchased during the Settlement Class Period that may have been affected by the conduct at issue in the Action and assuming that all Settlement Class Members elect to participate in the Settlements and that both the Wachovia Settlement and KPMG Settlement are approved, the estimated average recovery per eligible share or note (before the deduction of any Court-approved fees, expenses and costs as described herein)<sup>5</sup> would be approximately \$0.92 per share of 6.375% Wachovia Capital Trust IV Trust Preferred Securities, \$1.07 per share of 6.375% Wachovia Capital Trust IX Trust Preferred Securities, \$0.59 per share of 7.85% Wachovia Capital Trust X Trust Preferred Securities, \$0.98 per share of 8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J, \$31.02 per share of Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K, \$53.40 per share of 7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L, \$7.84 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due August 1, 2013, \$13.64 per \$1,000 face value of 5.70% Notes Due August 1, 2013, \$3.86 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due October 15, 2011, \$6.52 per \$1,000 face value of 5.30% Notes Due October 15, 2011, \$9.72 per \$1,000 face value of 5.625% Subordinated Notes Due October 15, 2016, \$13.84 per \$1,000 face value of Three-Month LIBOR Floating Rate Subordinated Notes Due

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Corporation), Raymond James & Associates, Inc., Robert W. Baird & Co. Inc., Ross, Sinclair & Associates, LLC, Ryan Beck & Co., Inc., Sterne, Agee & Leach, Inc., Stifel, Nicolaus & Company, Inc., SunTrust Capital Markets, Inc. (n/k/a SunTrust Robinson Humphrey, Inc.), TD Ameritrade, Inc., Toussaint Capital Partners, LLC, Utendahl Capital Partners, L.P., Wedbush Morgan Securities Inc., and William Blair & Company, LLC.

<sup>4</sup> The Wachovia Settlement will not release any claims against any Underwriter Defendant, or any party related to such Underwriter Defendant, if the applicable Underwriter Defendant does not provide to Lead Bond/Notes Counsel, by the date that is five business days prior to the date of the Settlement Hearing, a signed release of any and all of its claims against the Bond/Notes Plaintiff-Related Releasees, as defined in paragraph 75 below, that is equivalent in scope to the release being provided by the Settling Defendants pursuant to the Stipulation.

<sup>5</sup> An allegedly damaged share or note may have been traded more than once during the Settlement Class Period, and the average recovery per share or note represents the total for all purchasers of that share or note.

October 15, 2016, \$3.69 per \$1,000 face value of Three-Month LIBOR Floating Rate Senior Notes Due December 1, 2009, \$10.27 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due April 23, 2012, \$13.85 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due June 15, 2017, \$4.87 per \$1,000 face value of 5.75% Notes Due June 15, 2017, \$0.19 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due July 26, 2010, \$2.25 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due August 20, 2009, \$0.48 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due November 24, 2009, \$8.81 per \$1,000 face value of 5.75% Notes due February 1, 2018, \$14.65 per \$1,000 face value of 5.50% Fixed Rate Notes Due May 1, 2013, and \$8.82 per \$1,000 face value of Three Month LIBOR Floating Rate Notes due May 1, 2013. Settlement Class Members should note, however, that these are only estimates based on the overall number of potentially affected shares and notes. Some Settlement Class Members may recover more or less than these estimated amounts depending on, among other factors, when and at what prices they purchased/acquired or sold their Bond Class Securities, and the total number of valid claim forms submitted.

4. **Average Amount of Damages Per Share or Note:** The parties do not agree on the average amount of damages per share or note that would be recoverable if Lead Bond/Notes Plaintiffs were to prevail in the Action. The Settling Defendants deny that any Bond Class Securities were damaged as Lead Bond/Notes Plaintiffs have alleged. The Settling Defendants also deny that any of the offering materials for the Bond Class Securities contained any material misrepresentations or omissions, and they assert that they were prepared to establish that the prices of the Bond Class Securities declined in value for reasons not related to the disclosure of any allegedly false or misleading statements in the offering materials for the securities. The parties also disagree on the appropriate methodology for determining damages, if liability were established.

5. **Attorneys' Fees and Expenses Sought:** Bond/Notes Plaintiffs' Counsel, who have been prosecuting the Action on a wholly contingent basis since its inception in 2009, have not received any payment of attorneys' fees for their representation of the Settlement Class and they have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Lead Bond/Notes Counsel will apply to the Court for an award of attorneys' fees for all Bond/Notes Plaintiffs' Counsel in an amount not to exceed 17.5% of the Settlement Fund. In addition, Lead Bond/Notes Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$1.8 million (which may include an application for reimbursement of the reasonable costs and expenses incurred by Bond/Notes Plaintiffs directly related to their representation of the Settlement Class), plus interest on such expenses at the same rate as earned on the Settlement Amounts. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. If both the Wachovia Settlement and KPMG Settlement are approved by the Court, and Lead Bond/Notes Counsel's fee and expense application is granted, and assuming that all Settlement Class Members elect to participate in the Settlements, the average cost per share or note will be approximately \$0.16 per share of 6.375% Wachovia Capital Trust IV Trust Preferred Securities, \$0.19 per share of 6.375% Wachovia Capital Trust IX Trust Preferred Securities, \$0.11 per share of 7.85% Wachovia Capital Trust X Trust Preferred Securities, \$0.17 per share of 8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J, \$5.52 per share of Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K, \$9.50 per share of 7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L, \$1.39 per \$1000 face value of Three-Month LIBOR Floating Rate Notes Due August 1, 2013, \$2.43 per \$1,000 face value of 5.70% Notes Due August 1, 2013, \$0.69 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due October 15, 2011, \$1.16 per \$1,000 face value of 5.30% Notes Due October 15, 2011, \$1.73 per \$1,000 face value of 5.625% Subordinated Notes Due October 15, 2016, \$2.46 per \$1,000 face value of Three-Month LIBOR Floating Rate Subordinated Notes Due October 15, 2016, \$0.66 per \$1,000 face value of Three-Month LIBOR Floating Rate Senior Notes Due December 1, 2009, \$1.83 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due April 23, 2012, \$2.46 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due June 15, 2017, \$0.87 per \$1,000 face value of 5.75% Notes Due June 15, 2017, \$0.03 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due July 26, 2010, \$0.40 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due August 20, 2009, \$0.08 per \$1,000 face value of Three-Month LIBOR Floating Rate Notes Due November 24, 2009, \$1.57 per

\$1,000 face value of 5.75% Notes due February 1, 2018, \$2.61 per \$1,000 face value of 5.50% Fixed Rate Notes Due May 1, 2013, and \$1.57 per \$1000 face value of Three Month LIBOR Floating Rate Notes due May 1, 2013.<sup>6</sup>

6. **Identification of Attorneys’ Representatives:** Lead Bond/Notes Plaintiffs and the Settlement Class are represented by the law firms of Bernstein Litowitz Berger & Grossmann LLP, Kessler Topaz Meltzer & Check, LLP and Robbins Geller Rudman & Dowd LLP, the Court-appointed Co-Lead Counsel in the Bond/Notes Action (“Lead Bond/Notes Counsel”). Any questions regarding the Settlements should be directed to:

William C. Fredericks, Esq., Bernstein Litowitz Berger & Grossmann LLP, 1285 Avenue of the Americas, New York, NY 10019, (800) 380-8496, [blbg@blbglaw.com](mailto:blbg@blbglaw.com);

David Kessler, Esq., Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087, (610) 667-7706, [info@ktmc.com](mailto:info@ktmc.com); or

Rick Nelson, c/o Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, (800) 449-4900, [rickn@rgrdlaw.com](mailto:rickn@rgrdlaw.com).

Please do not contact any representative of the Defendants or the Court with questions about the Settlements.

7. **Reasons for the Settlements:** Lead Bond/Notes Plaintiffs’ principal reasons for entering into the Settlements are the substantial benefits payable to the Settlement Class now, without further risk or the delays inherent in further litigation. The significant cash benefits under the Settlements must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after contested motions, a contested trial and likely appeals, a process that could be expected to last several years into the future. For the Settling Defendants, who deny all allegations of wrongdoing or liability whatsoever (and also deny all allegations that any conduct on their part caused any class members to suffer any damages), the principal reason for entering into their respective Settlements is to eliminate the expense, risks, and uncertainty of further litigation.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THESE SETTLEMENTS:</b>	
<b>SUBMIT A CLAIM FORM BY _____, 2011.</b>	This is the only way to be eligible to get a payment from the Settlements. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlements as approved by the Court and you will give up any “Released Bond/Notes Claims” (as defined below) that you have against the Settling Defendants and the other “Released Defendant Persons” (as defined below). If you remain in the Settlement Class, it is likely in your interest to submit a Claim Form.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN _____, 2011.</b>	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Settling Defendants or the other Released Defendant Persons concerning the Released Bond/Notes Claims.

<sup>6</sup> Should the Court approve only the Wachovia Settlement or only the KPMG Settlement, attorneys’ fees will be paid only on the approved Settlement. The Litigation Expenses approved by the Court will be paid from the Settlement Fund created by the approved Settlement.

<p><b>OBJECT TO THE SETTLEMENTS BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN _____, 2011.</b></p>	<p>If you do not like any aspect of the proposed Wachovia Settlement and/or the KPMG Settlement, the proposed Plan of Allocation, or the request for attorneys’ fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlements, the Plan of Allocation or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.</p>
<p><b>GO TO A HEARING ON _____, 2011 AT _____:____.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN _____, 2011.</b></p>	<p>Filing a written objection and notice of intention to appear by _____, 2011 allows you to speak in Court about the fairness of the Settlements, the Plan of Allocation, and/or the request for attorneys’ fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and speak to the Court about your objection.</p>
<p><b>DO NOTHING.</b></p>	<p>If you are a member of the Settlement Class and you do not submit a Claim Form by _____, 2011, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlements and you will be bound by any judgments or orders entered by the Court in the Action.</p>

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## WHY DID I GET THIS NOTICE?

8. This Notice is being sent to you pursuant to an Order of the United States District Court for the Southern District of New York because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired Bond Class Securities (defined on page 1) during the Settlement Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlements. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlements and the Plan of Allocation (or some other plan of allocation), the claims administrator selected by Lead Bond/Notes Plaintiffs and approved by the Court will make payments pursuant to the Stipulation and the Court-approved plan of allocation after any objections and appeals are resolved.

9. In a class action lawsuit, the court appoints 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. In this Action, the Court has appointed Orange County Employees' Retirement System, Louisiana Sheriffs' Pension and Relief Fund, and Southeastern Pennsylvania Transportation Authority to serve as "Lead Bond/Notes Plaintiffs" under a federal law governing lawsuits such as this one, and the Court has approved Lead Bond/Notes Plaintiffs' selection of the law firms of Bernstein Litowitz Berger & Grossmann LLP, Kessler Topaz Meltzer & Check, LLP, and Robbins Geller Rudman & Dowd LLP to serve as Co-Lead Counsel in the Action. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thereby allowing for the efficient and consistent resolution of the claims of all class members in a single proceeding. Once the class is certified, the court must resolve all issues on behalf of the class members, except for any persons or entities who choose to exclude themselves from the class. (For more information on excluding yourself from the Settlement Class, please read "What If I Do Not Want To Be A Part Of The Settlements? How Do I Exclude Myself?," on page [ ] below.)

10. The court in charge of this case is the United States District Court for the Southern District of New York, and the case is known as *In re Wachovia Preferred Securities and Bond/Notes Litigation*, Master File No. 09 Civ. 6351 (RJS). The Judge presiding over this case is the Hon. Richard J. Sullivan, United States District Judge. The persons or entities that are suing are called plaintiffs, and those who are being sued are called defendants. If both the Wachovia Settlement and KPMG Settlement are approved, they will resolve all claims in the Action by Settlement Class Members against all of the Defendants, and will bring the Action to an end.

11. This Notice explains the lawsuit, the Settlements, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to so do. It is also being sent to inform you of the terms of the proposed Settlements, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlements, the proposed Plan of Allocation and the motion by Lead Bond/Notes Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing").

12. The Settlement Hearing will be held on \_\_\_\_\_, 2011 at \_:\_:\_\_\_m., before the Hon. Richard J. Sullivan at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 21C, New York, NY 10007-1312, to determine:

- (a) whether the proposed Settlements are fair, reasonable and adequate, and should be approved by the Court;
- (b) whether all claims asserted in the Action against the Released Defendants should be dismissed with prejudice, and whether all Released Bond/Notes Claims against the Released Defendant Persons should be released as set forth in the Stipulation;

- (c) whether the proposed Plan of Allocation is fair and reasonable, and should be approved by the Court; and
- (d) whether Lead Bond/Notes Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved.

13. This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve each of the Settlements. If the Court approves either the Wachovia Settlement or the KPMG Settlement (or both) and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

WHAT IS THE CASE ABOUT? WHAT HAS HAPPENED SO FAR?

14. The Action is a class action alleging violations of the Securities Act of 1933 (the "Securities Act") by various persons, including the Wachovia Defendants, the Underwriter Defendants, and KPMG.

15. Beginning on December 19, 2008, three related putative class actions alleging claims under the Securities Act relating to one or more preferred stock, bonds or notes offerings issued by Wachovia and/or certain of its affiliates, beginning with *Swiskay, et al. v. Wachovia Corp., et al.*, No. 09 Civ. 6457 (S.D.N.Y.) (RJS), and followed by *Miller v. Wachovia Corp., et al.*, No. 09 Civ. 6351 (S.D.N.Y.) (RJS), and *Orange County Employees' Retirement System, et al. v. Carlson, et al.*, No. 09 Civ. 6374 (S.D.N.Y.) (RJS) (collectively, the "Bond/Notes Actions"), were filed in the Superior Court of the State of California, Alameda County (the "California Court").

16. On January 29, 2009, the California Court ordered the consolidation of the Bond/Notes Actions under the caption *In re Wachovia Preferred Securities and Bond/Notes Litigation*, No. RG 08426378, and appointed the law firms of Bernstein Litowitz Berger & Grossmann LLP ("Bernstein Litowitz"), Barroway Topaz Kessler Meltzer & Check, LLP, now known as Kessler Topaz Meltzer & Check, LLP ("Kessler Topaz"), and Coughlin Stoia Geller Rudman & Robbins, now known as Robbins Geller Rudman & Dowd LLP ("Robbins Geller"), as Co-Lead Counsel for the putative class (collectively, "Lead Bond/Notes Counsel"). The consolidated Bond/Notes Actions were thereafter removed from the California Court to the U.S. District Court for the Northern District of California, which thereafter (by Order dated June 22, 2009) transferred these matters to the U.S. District Court for the Southern District of New York (the "Court").

17. By Order dated August 20, 2009, the Court (i) consolidated the Bond/Notes Actions under the caption *In re Wachovia Preferred Securities and Bond/Notes Litigation*, Master File No. 09 Civ. 6351 (S.D.N.Y.) (RJS) (the "Bond/Notes Action" or the "Action"); (ii) appointed Orange County, Louisiana Sheriffs, and SEPTA as Co-Lead Plaintiffs in the Action, (iii) affirmed the California Court's prior appointment of Lead Bond/Notes Counsel as Co-Lead Counsel, and (iv) ordered that the Bond/Notes Action be coordinated for pre-trial purposes with certain separate actions brought solely on behalf of investors in Wachovia equity securities that were also pending before the Court (and which were captioned *In re Wachovia Equity Securities Litigation*, No. 08 Civ. 6171 (S.D.N.Y.) (RJS), *Stichting Pensioenfonds ABP, et al. v. Wachovia Corp., et al.*, 09 Civ. 04473 (S.D.N.Y.) (RJS) and *FC Holdings AB, et al. v. Wells Fargo & Co., et al.*, No. 09 Civ. 5466 (S.D.N.Y.) (RJS) (collectively, the "Equity Actions").<sup>7</sup>

18. On September 4, 2009, Lead Bond/Notes Plaintiffs filed their Consolidated Class Action Complaint (the "First Consolidated Bond/Notes Complaint"), on behalf of themselves and all persons and entities, except the Defendants and their affiliated or related persons and entities, who purchased or otherwise acquired Bond Class Securities in or traceable to publicly registered offerings (the "Offerings") conducted between July 31, 2006 and

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<sup>7</sup> The Wachovia and KPMG Settlements described in this Notice do not affect any claims that Settlement Class Members may have in their capacity as purchasers of Wachovia equity securities (common stock), including any such claims that may have been brought on their behalf in the separate Equity Actions.

May 29, 2008 (the “Offering Period”) pursuant to one of five separate shelf registration statements, which each allegedly incorporated by reference the prospectus and certain other materials for each given Offering (collectively, the “Offering Materials”), and which were filed with the Securities and Exchange Commission (“SEC”). The First Consolidated Bond/Notes Complaint asserted claims under Sections 11, 12(a)(2) and 15 of the Securities Act against (a) the Wachovia Defendants (including Wells Fargo, in its capacity as successor-in-interest to the outstanding debts and pre-merger liabilities of Wachovia (which merged with and into Wells Fargo, with Wells Fargo surviving the merger, on December 31, 2008)); (b) the Underwriter Defendants, which consist of certain non-Wachovia underwriters who underwrote all or portions of the Offerings; and (c) KPMG, Wachovia’s outside auditor which certified Wachovia’s 2006 and 2007 annual financial statements which were incorporated into the Offering Materials for a majority of the Offerings at issue.

19. On November 3, 2009, the Wachovia Defendants, the Underwriter Defendants and KPMG each filed a separate motion to dismiss the First Consolidated Bond/Notes Complaint and comprehensive briefs and numerous exhibits in support thereof. Lead Bond/Notes Plaintiffs filed their similarly comprehensive papers in opposition to these motions on December 18, 2009, and the various Defendants filed their respective reply papers on February 4, 2010.

20. Based on additional information uncovered by Lead Bond/Notes Counsel’s investigation since the filing of their initial consolidated complaint, and with the permission of the Court, on May 28, 2010 (and before the Court had ruled on the pending motions to dismiss), Lead Bond/Notes Plaintiffs and the Additional Bond Notes Plaintiffs<sup>8</sup> (collectively, the “Bond/Notes Plaintiffs”) filed their Amended Consolidated Class Action Complaint (the “Amended Bond/Notes Complaint”).

21. In their Amended Bond/Notes Complaint, Lead Bond/Notes Plaintiffs re-pled their previously asserted claims under the Securities Act against Defendants, and also supplemented their prior allegations with (among other things) the statements of numerous additional confidential witnesses. The Amended Bond/Notes Complaint alleged that the Offering Materials materially misstated and failed to disclose the true nature and quality of Wachovia’s mortgage loan portfolio, and materially misled investors as to Wachovia’s exposure to tens of billions of dollars of losses on mortgage-related assets. The Amended Bond/Notes Complaint (like its predecessor complaint) alleged that, among other things, the Offering Materials contained material misstatements – and omitted to state facts necessary to make the representations contained in the Offering Materials not materially misleading – concerning, among other things, the risk profile and quality of Wachovia’s \$120 billion Pick-A-Pay option adjustable rate residential mortgage loan portfolio (the “Pick-A-Pay Portfolio”); the nature and quality of the in-house appraisals and underwriting processes used in underwriting Wachovia’s Pick-A-Pay Portfolio; Wachovia’s publicly reported loan-to-value ratios for the Pick-A-Pay Portfolio; the adequacy of Wachovia’s reported loan loss reserves; the valuation of Wachovia’s holdings of collateralized debt obligations and subprime residential mortgage backed securities; the valuation of the goodwill that Wachovia carried as an asset on its financial statements in connection with its 2006 acquisition of Golden West Financial Corporation (whose primary asset, in turn, was the Pick-A-Pay Portfolio); Wachovia’s stated net income, total assets and Tier 1 capital; and Wachovia’s compliance with Generally Accepted Accounting Principles (“GAAP”).

22. On July 14, 2010, the Wachovia Defendants, the Underwriter Defendants and KPMG each filed a separate motion to dismiss the Amended Bond/Notes Complaint, together with their comprehensive briefs and exhibits in support thereof. Lead Bond/Notes Plaintiffs filed their consolidated papers in opposition to these motions on August 13, 2010, and the various Defendants filed reply briefs in support of their motions on September 15, 2010.

23. In November 2010, counsel for the Wachovia Defendants and counsel for Lead Bond/Notes Plaintiffs commenced a preliminary dialogue to explore the possibility of commencing settlement discussions

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<sup>8</sup> The “Additional Bond/Notes Plaintiffs” are the Hawaii Sheet Metal Workers Pension Fund, Iron Workers Locals 40, 361 & 417 Union Security Funds, Norman Levin, City of Livonia Employees’ Retirement System, Arlette Miller, Michael Swiskay, Michael Swiskay, as trustee of the Judith R. Swiskay Irrevocable Trust U/A 7/16/2007, Michael Swiskay, as trustee of the Trust U/W/O Hanan Swiskay FBO Jeffrey Swiskay, and Michael Swiskay, as trustee of the Trust U/W/O Hanan Swiskay.

under the auspices of an experienced mediator. Lead Bond/Notes Plaintiffs and the Wachovia Defendants thereafter eventually agreed to retain Judge Daniel Weinstein (ret.) (“Judge Weinstein” or the “Mediator”) to assist them in exploring a potential negotiated resolution of the claims against the Wachovia Defendants, and met and exchanged certain information under the auspices of the Mediator in March 2011 (including a two-day, face-to-face mediation session held in New York City). As a result of these discussions and separate, one-on-one communications with the Mediator, both sides concluded that enough progress and serious interest in exploring a *bona fide* and fair, reasonable and adequate settlement had been made to warrant a further set of meetings under the auspices of the Mediator to be held in April 2011. However, no settlement was reached during March 2011, as Lead Bond/Notes Plaintiffs and the Wachovia Defendants remained far apart.

24. On March 31, 2011, the Court entered its Opinion and Order on the various motions to dismiss that had been filed in both the Bond/Notes Action and in each of the separate Equity Actions. See *In re Wachovia Equity Sec. Litig.*, 753 F. Supp. 2d. 326, 2011 U.S. Dist. LEXIS 36129 (S.D.N.Y. March 31, 2011) (RJS) (the “March 31 Opinion”). The March 31 Opinion dismissed in their entirety the claims asserted in the various Equity Actions, but denied in substantial part each of the motions to dismiss the Amended Bond/Notes Complaint filed by the various Defendants in the Action.

25. On April 14, 2011, KPMG (a) filed a motion requesting that the Court reconsider its March 31 Opinion and that the Court, upon reconsideration, grant KPMG’s earlier motion to dismiss all claims asserted against it, and (b) filed a letter with the Court requesting permission to file an interlocutory (*i.e.*, immediate) appeal of the Court’s March 31 Opinion.

26. Meanwhile, also during April 2011, the Wachovia Defendants and Lead Bond/Notes Plaintiffs engaged in further separate one-on-one oral and written communications with the Mediator to discuss (among other things) their respective views on the impact of the Court’s March 31 Opinion on the Bond/Notes Action, and to determine whether continuation of their earlier settlement discussions from March was warranted and/or likely to be productive. Judge Weinstein, as Mediator, thereafter recommended that both sides meet again under his auspices in New York on April 28, 2011 to attempt to reach a settlement.

27. With the assistance of Judge Weinstein, and after face-to-face and arm’s-length negotiation, counsel for the Wachovia Defendants and Lead Bond/Notes Plaintiffs entered into a binding term sheet to settle and release all claims asserted against the Wachovia Defendants and the Underwriter Defendants (but not KPMG) for \$590 million, all cash, subject to certain terms and conditions and the execution of a customary “long form” stipulation and agreement of settlement and related papers. The settlement with the Wachovia Defendants left KPMG as the only non-settling Defendant in this Action.

28. In early May 2011, promptly after reaching their agreement to settle with the Wachovia Defendants, Lead Bond/Notes Counsel contacted KPMG’s counsel to explore the possibility of commencing settlement discussions. On May 5, 2011, counsel for both KPMG and Lead Bond/Notes Plaintiffs jointly requested, and the Court granted, a 45-day extension of all pending litigation deadlines to allow these parties a reasonable opportunity to explore possible settlement discussions. Initial settlement discussions revealed that Lead Bond/Notes Plaintiffs’ and KPMG’s settlement positions were far apart; however, rather than abandon further discussions, later that month Lead Bond/Notes Plaintiffs and KPMG agreed to retain Judge Weinstein (who had mediated the successful settlement negotiations with the Wachovia Defendants) to try to facilitate the negotiation process. Lead Bond/Notes Plaintiffs and KPMG thereafter exchanged comprehensive mediation briefs and other materials during late May and early June 2011, and participated in multiple face-to-face mediation sessions under the auspices of Judge Weinstein. Eventually, but only after the conclusion of these face-to-face and arm’s-length negotiation sessions and numerous separate one-on-one communications between the Mediator and counsel for Lead Bond/Notes Plaintiffs and KPMG, respectively, on June 28, 2011, counsel for KPMG and Lead Bond/Notes Plaintiffs entered into a binding term sheet to settle and release all claims asserted against KPMG for \$37 million (all cash) subject to certain terms and conditions and the execution of a customary “long form” stipulation and agreement of settlement and related papers.

29. Before agreeing to the Settlements, Lead Bond/Notes Counsel conducted an extensive pre-filing investigation relating to the claims and the underlying events and transactions alleged in the Amended Bond/Notes

Complaint. For example, Lead Bond/Notes Counsel (a) identified, interviewed and analyzed the statements of well over 200 confidential witnesses, (b) collected, reviewed and analyzed hundreds of SEC filings, press releases, news articles and analyst reports concerning Wachovia and the events and circumstances at issue in this Action, and (c) thoroughly researched the applicable law with respect to the claims of Bond/Notes Plaintiffs and the Settlement Class against the Settling Defendants, including the Defendants' defenses thereto. In addition, in the period immediately following the Court's denial (in substantial part) of the Defendants' respective motions to dismiss, and pursuant to Lead Bond/Notes Counsel's specific requests, the Wachovia Defendants produced to Lead Bond/Notes Counsel, and Lead Bond/Notes Counsel have undertaken the process of reviewing and analyzing, more than 9 million pages of internal Wachovia and Wells Fargo documents concerning the matters alleged in the Amended Bond/Notes Complaint. In addition, since the Courts' March 31 Opinion, the Wachovia Defendants have made available to Lead Bond/Notes Counsel, and Lead Bond/Notes Counsel have interviewed, approximately fifteen current Wells Fargo and/or Wachovia personnel (including former Wachovia personnel now employed by Wells Fargo) who have knowledge of the matters alleged in the Amended Bond/Notes Complaint. Similarly, pursuant to Lead Bond/Notes Counsel's specific requests, KPMG has produced to Lead Bond/Notes Counsel, and Lead Bond/Notes Counsel have undertaken the process of reviewing and analyzing, over 285,000 pages of internal KPMG documents (including the relevant portions of KPMG's work papers) concerning the matters alleged in the Amended Bond/Notes Complaint against KPMG. In addition, KPMG has made available to Lead Bond/Notes Counsel, and Lead Bond/Notes Counsel have interviewed (or are scheduled to interview) a number of current KPMG personnel who have knowledge of the matters alleged in the Amended Bond/Notes Complaint that are the subject of Bond/Notes Plaintiffs' claims against KPMG (including matters concerning the nature, scope and content of KPMG's annual audits of Wachovia's financial statements).

30. Based upon Lead Bond/Notes Counsel's extensive pre-filing investigatory efforts, their extensive and careful review of the applicable law, their analysis of the arguments raised by the Defendants both in the two prior rounds of motion to dismiss briefing as well as the multiple rounds of negotiating sessions held under the auspices of Judge Weinstein, and their review and analysis of the extensive post-motion to dismiss discovery that they obtained and/or conducted in this Action, Lead Bond/Notes Counsel have a thorough understanding of the strengths and weakness of the Bond/Notes Plaintiffs' and the respective Defendants' positions in the Action. Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel believe that both the Wachovia Settlement and the KPMG Settlement are fair, reasonable and adequate, and are in the best interests of the Settlement Class.

31. On August 5, 2011, the parties entered into the Stipulation setting forth the terms and conditions of the proposed Settlements. On \_\_\_\_\_, 2011, the Court entered an Order Preliminarily Approving Proposed Settlements and Providing for Notice, which preliminarily approved both Settlements, authorized this Notice be sent to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlements.

#### HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENTS?

32. If you are a member of the Settlement Class, you are subject to the Settlements, unless you timely request to be excluded. The Settlement Class consists of:

All Persons who purchased or otherwise acquired Bond Class Securities during the time period from the first date on which any of the Bond Class Securities were offered through and including February 27, 2009 ("Settlement Class Period"), and were damaged thereby.

Excluded from the Settlement Class are all Defendants in the Action and their respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any entity in which any Defendant has or had a controlling interest, and any Person who has entered into a tolling agreement in connection with this Action and his, her or its respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any

entity in which any such Person has or had a controlling interest, provided that any Investment Vehicle shall not be deemed an excluded Person by definition. Also excluded from the Settlement Class are any persons or entities who exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in the Notice. See “What if I Do Not Want to Participate in the Settlements? How Do I Exclude Myself,” on page [ ] below.

“Settlement Class Member” means a Person that is a member of the Settlement Class and does not exclude himself, herself or itself by submitting a request for exclusion in accordance with the requirements set forth in this Notice.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM EITHER OF THE SETTLEMENTS. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENTS, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN \_\_\_\_\_, 2011.**

WHAT ARE LEAD BOND/NOTES PLAINTIFFS’ REASONS FOR THE SETTLEMENTS?

33. Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel believe that the claims asserted against the Defendants in this Action have substantial merit, and that their legal advocacy and diligent factual investigation have led to Settlements that reflect an exceptionally significant recovery.

34. Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the Defendants through trial and appeals, as well as the inherent risks in establishing liability for violations of the federal securities laws. For example, certain claims relating to what the Amended Bond/Notes Complaint alleged were inaccurate statements concerning the nature and quality of the underwriting of the residential mortgages contained in Wachovia’s “Pick-A-Pay” loan portfolio were found to be not actionable as a matter of law by the Court’s March 31 Opinion, and the impact of this aspect of the Court’s ruling on Lead Bond/Notes Plaintiffs’ claims was uncertain. Similarly, KPMG had filed a motion to reconsider and/or for immediate appeal on issues relating to the actionability of certain other statements, including whether inaccurate statements concerning a company’s loan loss reserves and certain asset valuations are “opinions” for which there is no liability unless the Defendants did not actually believe in the truth of those statements. If this view had prevailed, either on reconsideration by the Court or on appeal, it would have greatly increased the risk that Lead Bond/Notes Plaintiffs would have been unable to establish liability on their core claims as to either KPMG or the Wachovia Defendants. In addition, Lead Bond/Notes Plaintiffs’ proofs (and the Defendants’ responses thereto) on the types of complex accounting and valuation issues at issue in this case would have inevitability boiled down to a “battle of the experts.” Although Lead Bond/Notes Plaintiffs were confident that they would have been able to support their claims with qualified and persuasive expert testimony, jury reactions to competing experts are inherently difficult to predict, and the Defendants would have almost certainly retained highly experienced experts to argue their various defenses to liability, including their arguments that they made timely disclosures in their successive Offering Materials as soon as they became aware of additional information relating to (among other things) expected losses in the Pick-A-Pay portfolio and the declining value of Wachovia’s CDO holdings.

35. In addition, even if the Defendants’ liability could otherwise be established, Lead Bond/Notes Plaintiffs faced serious arguments by the Defendants that any losses suffered by Settlement Class Members on their investments in Bond Class Securities were attributable to factors other than the alleged wrongdoing. For example, the Defendants argued that any losses suffered by Settlement Class Members here were caused primarily – if not entirely – by the “financial tsunami” and related financial and liquidity crisis of 2008, and not by any

alleged misrepresentations concerning Wachovia's Pick-A-Pay portfolio or the other matters alleged in the Amended Bond/Notes Complaint. As with contested liability issues, issues relating to loss causation and damages would also have likely come down to an inherently unpredictable and hotly disputed "battle of the experts." Accordingly, even if liability were established, there was a real risk that, after a trial of the Action, the Settlement Class would have recovered an amount significantly less than the Settlement Amounts – or even nothing at all.

36. In agreeing to the terms of each Settlement, Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel weighed the magnitude of the benefits (totaling \$627,000,000) against the risks that the claims asserted in the Amended Bond/Notes Complaint might have been dismissed (either in whole or in substantial part) upon reconsideration by the Court, or upon interlocutory appellate review, or following completion of discovery in response to the Defendants' anticipated motions for summary judgment. They have also considered the nature of the various issues that would have been decided by a jury in the event of a trial of the Action, including all of the risks of litigation discussed above.

37. Finally, Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel have also considered the fact that any recoveries obtained from a favorable verdict after a trial would still be in jeopardy on appeal, and, even if a favorable verdict were ultimately sustained on appeal, it would likely take additional years before the case was finally resolved, absent a settlement.

38. In light of the amount of the Wachovia Settlement, the KPMG Settlement and the Settlements as a whole, and the benefits of immediate and certain recovery to the Settlement Class as compared to the risks and uncertainties of ever obtaining a superior recovery at some indeterminate date in the future, Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel strongly believe that each of the proposed Settlements is fair, reasonable, adequate, and in the best interests of the Settlement Class. Indeed, they respectfully submit that the Settlements achieved represent a truly outstanding result for the Settlement Class.

39. The Defendants have vigorously denied the claims asserted against them in the Bond/Notes Action and vigorously deny having engaged in any wrongdoing or violation of law of any kind whatsoever. The Settling Defendants state that they have agreed to enter into their respective Settlements solely to eliminate the burden and expense of continued litigation, and the Stipulation they have agreed to provides that the Settlements shall not be construed as an admission of any wrongdoing by any of the Settling Defendants, any of the other Released Defendant Persons, or counsel for the Settling Defendants.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENTS?

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

HOW MUCH WILL MY PAYMENT BE?

41. At this time, it is not possible to make any determination as to how much a Settlement Class Member may receive from the Settlements.

42. Pursuant to the Wachovia Settlement, the Wachovia Defendants have agreed to pay \$590 million in cash, and pursuant to the KPMG Settlement, KPMG has agreed to pay \$37 million in cash, for an aggregate total of \$627 million. The Settlement Amounts will be deposited into an interest-bearing escrow account. If only the Wachovia Settlement is approved, the "Settlement Fund" will consist of the Wachovia Settlement Amount plus interest earned thereon. If only the KPMG Settlement is approved, the "Settlement Fund" will consist of the

KPMG Settlement Amount plus interest earned thereon. If both are approved, the “Settlement Fund” will consist of both Settlement Amounts plus interest earned thereon. If either the Wachovia Settlement, KPMG Settlement or both are approved by the 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 Settlement Class Members and administering the Settlements on behalf of Settlement Class Members; and (c) any attorneys’ fees and expenses awarded by the Court) will be distributed to Settlement Class Members as set forth in the proposed Plan of Allocation or such other plan as the Court may approve.

43. After approval of the Settlements by the Court and upon satisfaction of the other conditions to the Settlements, the Net Settlement Fund will be distributed to Authorized Claimants in accordance with the plan of allocation approved by the Court. The Net Settlement Fund will not be distributed until the 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.

44. Neither the Defendants nor any other person or entity that paid any portion of the Settlement Amounts on any of their behalves are entitled to get back any portion of the Settlement Fund once the Court’s Order or Judgment approving the relevant Settlement becomes Final. The Defendants shall not have any liability, obligation or responsibility for the administration of the Settlements or disbursement of the Net Settlement Fund or the Plan of Allocation.

45. Approval of the Settlements is independent from approval of the plan of allocation. Any determination with respect to the plan of allocation will not affect the Settlements, if approved.

46. Only those Settlement Class Members who purchased or otherwise acquired Bond Class Securities during the Settlement Class Period **AND WERE DAMAGED AS A RESULT OF SUCH PURCHASES OR ACQUISITIONS**, will be eligible to share in the distribution of the Net Settlement Fund. Each person or entity wishing to participate in the distribution must timely submit a valid Claim Form establishing membership in the Settlement Class, and including all required documentation, postmarked on or before \_\_\_\_\_, 2011 to the address set forth in the Claim Form that accompanies this Notice.

47. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before \_\_\_\_\_, 2011 shall be forever barred from receiving payments pursuant to the Settlements but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation and each Settlement that is approved, including the terms of any judgments entered and releases given. This means that each Settlement Class Member releases the Released Bond/Notes Claims (as defined in paragraph 74 below) against the applicable Released Defendant Persons (as defined in paragraph 74 below) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Bond/Notes Claims against any of the applicable Released Defendant Persons regardless of whether or not such Settlement Class Member submits a Claim Form.

48. *Information Required on the Claim Form:* Among other things, each Claim Form must state and provide sufficient documentation for each Claimant’s transactions in Bond Class Securities during the Settlement Class Period and their closing positions on the dates specified in the Claim Form.

49. [IF APPLICABLE: Participants and beneficiaries in the [INSERT NAMES OF WACHOVIA PLAN[S]] (the “Wachovia ERISA Plan[s]”) should not include any information relating to their transactions within the Plan[s] in any Claim Form that they may submit in this Action. Claims based on any Wachovia ERISA Plan[s]’ purchases of Bond Class Securities during the Settlement Class Period may be made by the Plan[s]’ trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in the Plan[s], such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from these Settlements by any Wachovia ERISA Plan[s].

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

51. Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Southern District of New York with respect to his, her or its Claim Form.

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

### PROPOSED PLAN OF ALLOCATION

53. The objective of the Plan of Allocation is to equitably distribute the settlement proceeds to those Settlement Class Members who suffered losses as a result of the conducted alleged in the Amended Bond/Notes Complaint. The calculations made pursuant to the Plan of Allocation, which has been developed by Lead Bond/Notes Plaintiffs' damages expert, are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Settlement Class Members pursuant to the Settlements. The computations under the Plan of Allocation are only a method to weigh the claims of Settlement Class Members against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

54. Pursuant to the Wachovia Settlement, the Wachovia Defendants have agreed to pay or caused to be paid the Wachovia Settlement Amount of \$590 million and, pursuant to the KPMG Settlement, KPMG has agreed to pay or cause to be paid the KPMG Settlement Amount of \$37 million. The claims asserted against the Wachovia Defendants relate to each of the public offerings of Bond Class Securities that occurred during the Settlement Class Period (the "Offerings"). In contrast, the claims asserted against KPMG relate only to that subset of the Offerings that incorporated Wachovia's KPMG-audited financial statements for the years ended December 31, 2006 and/or December 31, 2007. Therefore, only those Settlement Class Members who purchased or otherwise acquired Bond Class Securities that were first offered to the public on or after April 23, 2007 (the "KPMG Bond Class Securities")<sup>9</sup> will be eligible to participate in the distribution of the portion of the Net Settlement Fund created by the KPMG Settlement.

55. Consistent with the foregoing, and as detailed below, the Net Settlement Fund will be allocated as follows: the portion of the Net Settlement Fund created by the Wachovia Settlement (the "Wachovia Fund") will be distributed on a *pro rata* basis to all eligible Authorized Claimants based on net recognized losses calculated on their Settlement Class Period purchases/acquisitions of all of the Bond Class Securities, while the portion of the Net Settlement Fund created by the KPMG Settlement (the "KPMG Fund") will be distributed on a *pro rata* basis to all eligible Authorized Claimants based on net recognized losses their Settlement Class Period purchases/acquisitions, if any, of the KPMG Bond Class Securities.<sup>10</sup>

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<sup>9</sup> The KPMG Bond Class Securities are a subset of the Bond Class Securities, and consist of (A) the following Wachovia-issued preferred securities: 6.375% Wachovia Capital Trust IX Trust Preferred Securities (CUSIP 92978X201); 7.85% Wachovia Capital Trust X Trust Preferred Securities (CUSIP 92979K208); Wachovia 8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J (CUSIP 929903276); Wachovia Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K (CUSIP 929903EF); and Wachovia 7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L (CUSIP 929903219), together with (B) the following Wachovia-issued notes: Three-Month LIBOR Floating Rate Notes Due April 23, 2012 (CUSIP 929903DF6); Three-Month LIBOR Floating Rate Notes Due June 15, 2017 (CUSIP 929903DU3); 5.75% Notes Due June 15, 2017 (CUSIP 929903DT6); Three-Month LIBOR Floating Rate Notes Due July 26, 2010 (CUSIP 92976WBD7); Three-Month LIBOR Floating Rate Notes Due August 20, 2009 (CUSIP 929903EC2); 5.70% Notes Due August 1, 2013 (CUSIP 92976WBA3); Three-Month LIBOR Floating Rate Notes Due November 24, 2009 (CUSIP 92976WBG0); 5.75% Notes due February 1, 2018 (CUSIP 92976WBH8); 5.50% Fixed Rate Notes Due May 1, 2013 (CUSIP 92976WBJ4); and Three Month LIBOR Floating Rate Notes due May 1, 2013 (CUSIP 92976WBK1).

<sup>10</sup> The 5.70% Notes Due August 1, 2013 were offered to the public pursuant to two Settlement Class Period offerings: the initial offering on July 31, 2006 (as to which claims were not asserted KPMG) and a substantially smaller supplemental offering on November 14, 2007 (as to which claims were asserted against KPMG). To be eligible for a distribution from the

56. A “Recognized Loss Amount” or “Recognized Gain Amount” will be calculated as set forth below for each purchase or other acquisition of the Bond Class Securities during the Settlement Class Period (*i.e.*, from the first day on which the security was offered for sale to the public through and including February 27, 2009) that is listed in the Claim Form and for which adequate documentation is provided. The calculation of Recognized Loss or Gain Amounts will depend upon several factors, including (i) which Bond Class Securities were purchased or otherwise acquired, and in what amounts; (ii) when the Bond Class Securities were purchased or otherwise acquired; and (iii) whether the securities were sold, and if so, when they were sold, and in what amounts.

57. **Wachovia 8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J (“Series J”), Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K (“Series K), and Wachovia 7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L (“Series L”):** For each share of Wachovia Series J, Series K or Series L Preferred Stock purchased or otherwise acquired during the time period from the initial offering of the security through and including the close of trading on December 31, 2008,<sup>11</sup> and:

- (a) Sold at a loss<sup>12</sup> prior to the close of trading on December 31, 2008, a Recognized Loss Amount shall be calculated, which shall be *the lesser of*:
  - (x) the purchase/acquisition price *minus* the sale price; or
  - (y) the issue price (the “Issue Price”) of the security as set forth on Table A attached to this Notice (“Table A”) *minus* the sale price, but in no event shall the Recognized Loss Amount under this subparagraph (y) be less than zero.
- (b) Sold for a gain<sup>13</sup> prior to the close of trading on December 31, 2008, a Recognized Gain Amount shall be calculated, which shall be the sale price *minus* the purchase/acquisition price.
- (c) Held as of the close of trading on December 31, 2008 and converted into shares of Wells Fargo Series J, Series K or Series L Preferred Stock, a Recognized Loss or Recognized Gain Amount shall be calculated as follows:
  - (i) if sold at a loss prior to the close of trading on January 21, 2009, a Recognized Loss Amount shall be calculated, which shall be *the lesser of*:
    - (x) the purchase/acquisition price *minus* the sale price of the converted shares; or
    - (y) the Issue Price of the security as set forth on Table A *minus* the sale price of the converted shares, but in no event shall the Recognized Loss Amount

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KPMG Fund, a purchase/acquisition of the 5.70% Notes Due August 1, 2013 must have occurred on or within seven days following the November 14, 2007 supplemental offering date (*i.e.*, during the period from November 14, 2007 through and including the close of trading on November 21, 2007).

<sup>11</sup> On December 31, 2008, all shares of Wachovia Series J, Series K and Series L Preferred Stock were converted into shares of Wells Fargo Series J, Series K and Series L Preferred Stock, respectively. Under the Plan of Allocation, no Recognized Loss or Recognized Gain Amounts shall be recognized or calculated with respect to any purchase/acquisition of the Series J, K or L Preferred Stock made on or after the close of trading on the December 31, 2008 conversion date, nor shall the December 31, 2008 conversion be considered a purchase/acquisition or sale.

<sup>12</sup> “Sold at a loss” means the purchase/acquisition price is greater than the sale price.

<sup>13</sup> “Sold for a gain” means the purchase/acquisition price is less than or equal to the sale price.

under this subparagraph (y) be less than zero.

- (ii) if sold for a gain prior to the close of trading on January 21, 2009, a Recognized Gain Amount shall be calculated, which shall be the sale price of the converted shares *minus* the purchase/acquisition price.
- (iii) if sold at a loss during the time period from the close of trading on January 21, 2009 through and including the close of trading on August 4, 2011, a Recognized Loss Amount shall be calculated, which shall be *the lesser of*:
  - (x) the purchase/acquisition price *minus* the greater of (i) the sale price or (ii) the closing price of the security on January 21, 2009 as set forth on Table A; or
  - (y) the Issue Price of the security as set forth on Table A *minus* the greater of (i) the sale price or (ii) the closing price of the security on January 21, 2009 as set forth on Table A, but in no event shall the Recognized Loss Amount be less than zero.
- (iv) if sold at a gain during the time period from the close of trading on January 21, 2009 through and including the close of trading on August 4, 2011, a Recognized Gain Amount shall be calculated, which shall be the sale price *minus* the purchase/acquisition price.
- (v) if held as of the close of trading on August 4, 2011, and the purchase/acquisition price is greater than the closing price of the converted security on January 21, 2009, a Recognized Loss Amount shall be calculated as *the lesser of*:
  - (x) the purchase/acquisition price *minus* the closing price of the converted security on January 21, 2009 as set forth on Table A; or
  - (y) the Issue Price of the security as set forth on Table A *minus* the closing price of the converted security on January 21, 2009 as set forth on Table A, but in no event shall the Recognized Loss Amount under this subparagraph (y) be less than zero.
- (vi) if held as of the close of trading on August 4, 2011, and the purchase/acquisition price is less than or equal to the closing price of the converted security on January 21, 2009, a Recognized Gain Amount shall be calculated, which shall be the closing price of the converted security on January 21, 2009 *minus* the purchase/acquisition price.

58. **Bond Class Securities other than Series J, Series K and Series L Preferred Stock:** For each Bond Class Security purchased or otherwise acquired during the time period from the initial offering of the security<sup>14</sup> through and including the close of trading on February 27, 2009, and:

- (a) Sold at a loss prior to the close of trading on January 21, 2009, the Recognized Loss Amount shall be *the lesser of*:
  - (x) the purchase/acquisition price *minus* the sale price; or

<sup>14</sup> For Wachovia preferred stock, each “security” (lower case) is one share of preferred stock. For Wachovia notes, each “security” is a note with \$1,000 face value.

- (y) the Issue Price<sup>15</sup> of the security as set forth on Table A *minus* the sale price, but in no event shall the Recognized Loss Amount under this subparagraph (y) be less than zero.
- (b) Sold for a gain prior to the close of trading on January 21, 2009, a Recognized Gain Amount shall be calculated, which shall be the sale price *minus* the purchase/acquisition price.
- (c) Sold at a loss during the time period from the close of trading on January 21, 2009 through and including the close of trading on August 4, 2011, a Recognized Loss Amount shall be calculated, which shall be *the lesser of*:
  - (x) the purchase/acquisition price *minus* the greater of (i) the sale price or (ii) the closing price of the security on January 21, 2009 as set forth on Table A; or
  - (y) the Issue Price<sup>16</sup> of the security as set forth on Table A *minus* the greater of (i) the sale price or (ii) the closing price of the security on January 21, 2009 as set forth on Table A, but in no event shall the Recognized Loss Amount be less than zero.
- (d) Sold for a gain during the time period from the close of trading on January 21, 2009 through and including the close of trading on August 4, 2011, a Recognized Gain Amount shall be calculated, which shall be the sale price *minus* the purchase/acquisition price.
- (e) Held as of the close of trading on August 4, 2011, and the purchase/acquisition price is greater than the closing price of the security on January 21, 2009, a Recognized Loss Amount shall be calculated, which shall be *the lesser of*:
  - (x) the purchase/acquisition price *minus* the closing price of the security on January 21, 2009 as set forth on Table A; or

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<sup>15</sup> Certain Bond Class Securities were issued pursuant to multiple offerings during the Settlement Class Period. For the 5.70% Notes Due August 1, 2013 (CUSIP 92976WBA3), Three-Month LIBOR Floating Rate Notes Due October 15, 2011 (CUSIP 929903CG5), 5.30% Notes Due October 15, 2011 (CUSIP 929903CF7), Three-Month LIBOR Floating Rate Notes Due April 23, 2012 (CUSIP 929903DF6), and 5.50% Fixed Rate Notes Due May 1, 2013 (CUSIP 92976WBJ4) – this had multiple offerings on same day each of which was issued pursuant to an initial offering and one supplemental offering during the Settlement Class Period, the Issue Price shall be determined as follows: (xx) for purchases/acquisitions that occurred prior to the supplemental offering date, the Issue Price shall be the offering price of the initial offering (or “initial offering price”), as shown on Table A; (yy) for purchases/acquisitions that occurred on or within seven days following the supplemental offering date, the Issue Price shall be the offering price of the supplemental offering (the “supplemental offering price”), as shown on Table A; and (zz) for purchases/acquisitions that occurred after the seven day period following the supplemental offering date, the Issue Price shall be the weighted average offering price of the initial offering price and the supplemental offering price, as shown on Table A. For the Wachovia 5.75% Notes Due June 15, 2017 (CUSIP 929903DT6), which was issued pursuant to an initial offering and two supplemental offerings during the Settlement Class Period, the applicable Issue Price shall be determined as follows: (aa) for purchases/acquisitions that occurred prior to the first supplemental offering date, the Issue Price shall be the offering price of the initial offering, as shown on Table A; (bb) for purchases/acquisitions that occurred on or within seven days following either the first or second supplemental offering date, the Issue Price shall be offering price of the applicable supplemental offering, as shown on Table A; and (cc) for purchases/acquisitions that occurred after the seven day period following the first supplemental offering date but prior to the second supplemental offering date, the Issue Price shall be the weighted average offering price of the initial offering price and the first supplemental offering price, as shown on Table A, and (dd) for purchases/acquisitions that occurred after the seven day period following the second supplemental offering date, the Issue Price shall be the weighted average offering price of the initial offering price, the first supplemental offering price, and the second supplemental offering price, as shown on Table A.

<sup>16</sup> The Issue Price shall be determined in accordance with footnote 15 above.

- (y) the Issue Price<sup>17</sup> of the security as set forth on Table A *minus* the closing price of the security on January 21, 2009 as set forth on Table A, but in no event shall the Recognized Loss Amount be less than zero.
- (f) Held as of the close of trading on August 4, 2011, and the purchase/acquisition price is less than or equal to the closing price of the security on January 21, 2009, a Recognized Gain Amount shall be calculated, which shall be the closing price of the security on January 21, 2009 *minus* the purchase/acquisition price.

59. Any Recognized Loss or Gain Amounts calculated based on purchases/acquisitions of Bond Class Securities made on or after September 29, 2008 – the date on which it was publicly announced that the federal government had brokered a proposed agreement under which Wachovia would be sold to Citigroup for \$1 per share and the government would guarantee Wachovia loan losses to the extent they exceeded \$42 billion – shall be discounted by 90% to reflect that Settlement Class Members who purchased/acquired these securities subsequent to that announcement were likely no longer relying on any alleged misstatements and omissions in the Offering Materials at issue in this matter. In addition, any Recognized Loss or Gain Amounts resulting from purchases/acquisitions of any of the Bond Class Securities that were required to be dismissed from the Action by the Court based on in its March 31, 2011 Opinion (*i.e.*, the Three-Month LIBOR Floating Rate Notes due August 1, 2013 (CUSIP 92976WBB), Three-Month LIBOR Floating Rate Notes Due October 15, 2011 (CUSIP 929903CG5), the Three-Month LIBOR Floating Rate Subordinated Notes due October 15, 2016 (CUSIP 929903CJ9), 5.75% Notes Due June 15, 2017 (CUSIP 929903DU3), Three-Month LIBOR Floating Rate Notes Due July 26, 2010 (CUSIP 92976WBD7), Three-Month LIBOR Floating Rate Notes due August 20, 2009 (CUSIP 929903EC2), and Three-Month LIBOR Floating Rate Notes Due November 24, 2009 (CUSIP 92976WBG0)), shall be discounted by 50% to reflect the difficulty that Bond/Notes Plaintiffs would have faced in obtaining a reversal of the relevant portion of Court’s March 31, 2010 Opinion (and in obtaining any recovery from the Defendants with respect to these securities) had the litigation continued against the Defendants.<sup>18</sup>

60. For purposes of allocating the Wachovia Fund, for each Claimant, a “Wachovia Recognized Loss” or “Wachovia Recognized Gain” will be calculated by (1) totaling all Recognized Loss Amounts resulting from his, her or its purchases/acquisitions of the Bond Class Securities during the Settlement Class Period, and (2) subtracting from that amount the total of all Recognized Gain Amounts resulting from his, her or its purchases/acquisitions of the Bond Class Securities during the Settlement Class Period. If the calculation from the preceding sentence results in a positive number, that figure will be the Claimant’s “Wachovia Recognized Loss”; if, however, the calculation results in a negative number (or zero), that figure will be the Claimant’s “Wachovia Recognized Gain”. If a Claimant has a Wachovia Recognized Loss, that loss amount will be used to determine the Claimant’s *pro rata* share of the Wachovia Fund in accordance with paragraph 64 below; if, however, a Claimant has a Wachovia Recognized Gain, then the Claimant will not be eligible to recover from the Wachovia Fund.

61. Similarly, for purposes of allocating the KPMG Fund, for each Claimant that purchased/acquired KPMG Bond Class Securities during the Settlement Class Period, a “KPMG Recognized Loss” or “KPMG Recognized Gain” will be calculated by (1) totaling all Recognized Loss Amounts resulting from his, her or its purchases/acquisitions of the KPMG Bond Class Securities during the Settlement Class Period, and (2) subtracting from that amount the total of all Recognized Gain Amounts resulting from his, her or its purchases/acquisitions of the KPMG Bond Class Securities during the Settlement Class Period. If the calculation from the preceding

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<sup>17</sup> The Issue Price shall be determined in accordance with footnote 15 above.

<sup>18</sup> The 50% discount applicable to purchases/acquisitions of the Bond Class Securities that were required to be dismissed from the Action under the Court’s prior March 31, 2011 Opinion shall apply in addition to the 90% discount for purchases/acquisitions occurring on or after September 29, 2008 (the date of the announcement that the federal government had brokered a proposed agreement under which Wachovia would be sold to Citigroup for \$1 per share); accordingly, purchases/acquisitions that fall under both these categories shall be discounted by 95%.

sentence results in a positive number, that figure will be the Claimant's "KPMG Recognized Loss"; if, however, the calculation results in a negative number (or zero), that figure will be the Claimant's "KPMG Recognized Gain." If a Claimant has a KPMG Recognized Loss, that loss amount will be used to determine the Claimant's *pro rata* share of the KPMG Fund in accordance with paragraph 64 below; if, however, a Claimant has a KPMG Recognized Gain, then the Claimant will not be eligible to recover from the KPMG Fund.

62. Alternatively – to avoid penalizing Claimants that would have suffered a greater net loss, or a net loss instead of a net gain, had the Settlement Class Period ended as of the close of trading on September 28, 2008 – if a Claimant's combined Wachovia Recognized Loss and KPMG Recognized Loss (or net combined loss after netting any Recognized Wachovia Gain against a KPMG Recognized Loss, or after netting any Recognized KPMG Gain against a Wachovia Recognized Loss) would be greater if they were both calculated without taking into consideration any gains or losses on purchases/acquisitions of Bond Class Securities that were made after the close of trading on September 28, 2008, then that Claimant's Recognized Loss and Recognized Gain Amounts shall be calculated using the methodology set forth in ¶¶ 56-61 above but without considering any gains or losses on any such post-September 28, 2008 purchases/acquisitions.

### **ADDITIONAL PROVISIONS**

63. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined below in paragraph 65 below) is \$10.00 or greater.

64. If the sum total of the Wachovia Losses of all Authorized Claimants is greater than the Wachovia Fund, each Authorized Claimant shall receive a *pro rata* share of the Wachovia Fund, which shall be the Authorized Claimant's Wachovia Loss divided by the total of all Wachovia Losses, multiplied by the total amount in the Wachovia Fund. Likewise, if the sum total of the KPMG Losses of all Authorized Claimants is greater than the KPMG Fund, each Authorized Claimant with a KPMG Loss shall receive a *pro rata* share of the KPMG Fund, which shall be the Authorized Claimant's KPMG Loss divided by the total of all KPMG Losses, multiplied by the total amount in the KPMG Fund.

65. The Distribution Amount paid to an Authorized Claimant will be the sum of (i) his, her or its *pro rata* share of the Wachovia Fund; and (ii) his, her or its *pro rata* share, if any, of the KPMG Fund. If an Authorized Claimant's Distribution Amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

66. If a Class Member has more than one purchase/acquisition or sale of Bond Class Securities during the Settlement Class Period, all purchases/acquisitions and sales of like securities shall be matched on a First In, First Out ("FIFO") basis, such that sales will be matched against purchases/acquisitions of the same security in chronological order, beginning with the earliest purchase/acquisition made during the Settlement Class Period. With respect to the Series J, K and L Preferred Stock securities (which were converted to Wells Fargo securities on the December 31, 2008 conversion date), each such security shall be deemed to be the same (or "like") security as its respective predecessor or successor security, and the conversion shall not be deemed as converting them into "different" securities.

67. Purchases or acquisitions and sales of Bond Class Securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of Bond Class Securities during the Settlement Class Period shall not be deemed a purchase, acquisition or sale of Bond Class Securities for the calculation of an Authorized Claimant's Recognized Loss or Gain Amounts, nor shall such receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of any Bond Class Securities unless (i) the donor or decedent purchased or otherwise acquired such Bond Class Securities during the Settlement Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Bond Class Securities; and (iii) it is specifically so provided in the instrument of gift or assignment.

68. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of Bond Class Securities. The date of a “short sale” is deemed to be the date of sale of Bond Class Securities. Under the Plan of Allocation, however, the Wachovia Loss and KPMG Loss, if any, on all “short sales” is zero. In the event that there is an opening short position in any Bond Class Security, the earliest Settlement Class Period purchases of like security shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

69. Option contracts are not securities eligible to participate in the Settlements. With respect to Bond Class Securities purchased or sold through the exercise of an option, the purchase/sale date of the Bond Class Security is the exercise date of the option and the purchase/sale price of the Bond Class Security is the exercise price of the option.

70. If any funds remain in the Net Settlement Fund because of uncashed distributions or other reasons, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distribution checks, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be redistributed to Authorized Claimants who have cashed their initial distribution and who would receive at least \$10.00 from such redistribution, after payment of any unpaid costs or fees incurred in administering the funds, including for such redistribution. Additional redistributions to Authorized Claimants who have cashed their prior distribution checks and who would receive at least \$10.00 on such additional redistributions, subject to the conditions previously noted, may occur thereafter if Lead Bond/Notes Counsel, in consultation with the Claims Administrator, determines that additional redistribution, after the deduction of any additional fees and expenses that would be incurred with respect to such redistributions, is cost-effective. At such time as it is determined that the redistribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance of the Net Settlement Fund shall be contributed to non-sectarian, not-for-profit organizations designated by Lead Bond/Notes Counsel.

71. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Bond/Notes Plaintiffs, Bond/Notes Plaintiffs’ Counsel, Settling Defendants and their respective counsel or any of the other Released Defendant Persons, or the Claims Administrator or other agent designated by Lead Bond/Notes Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Bond/Notes Plaintiffs, the Settling Defendants and their respective counsel, and all other Released Defendant Persons shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any Claim 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.

72. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel after consultation with their experts. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the settlement website, [www.\\_\\_\\_\\_\\_.com](http://www._____.com).

WHAT RIGHTS AM I GIVING UP BY REMAINING IN THE SETTLEMENT CLASS?

73. If you remain in the Settlement Class, you will be bound by any orders issued by the Court. For example, if the Wachovia Settlement, the KPMG Settlement or both are approved, the Court will enter a judgment (the “Judgment”). For each Settlement that is approved, the Judgment will dismiss with prejudice the claims against the applicable Defendants and will provide that, upon the Effective Date of each such Settlement, Lead

Bond/Notes Plaintiffs, Additional Bond/Notes Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, their heirs, executors, administrators, predecessors, successors, affiliates and assigns shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed each and every Released Bond/Notes Claim (as defined in paragraph 74 below) as against all of the applicable Released Defendant Persons (as defined in paragraph 74 below), and shall forever be enjoined from prosecuting any or all of the Released Bond/Notes Claims against any of the applicable Released Defendant Persons (provided, however, that the releases provided for in the Judgment shall not apply to any Person who validly opts-out of the Settlement Class and nothing in the Stipulation shall preclude any Person from opting out of the Settlement Class in accordance with the instructions set forth in paragraph 82 below).

74. As described in more detail below, the Released Bond/Notes Claims are any and all claims that (a) were asserted in the Action; or (b) could have been asserted in the Action relating to the allegations in the Amended Bond/Notes Complaint and that arise out of the purchase or other acquisition of the Bond Class Securities during the Settlement Class Period.

**“Released Bond/Notes Claims”** means any and all claims and any and all causes of action of every nature and description, including both known claims and Unknown Claims, whether based on federal, state, local or foreign statutory law or common law, rule or regulation, whether fixed or contingent, foreseen or unforeseen, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, existing now or to be created in the future, whether direct, representative, class or individual in nature, that Lead Bond/Notes Plaintiffs or any other member of the Settlement Class (a) asserted in the Bond/Notes Action, or (b) could have asserted in any forum that arise out of, are based upon or are related to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Amended Bond/Notes Complaint and that arise out of or are based upon the purchase or other acquisition or sale of the Bond Class Securities during the Settlement Class Period.<sup>19</sup>

**“Unknown Claims”** means any Released Bond/Notes Claims which Lead Bond/Notes Plaintiffs or any other 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 Defendant Persons, and any Released Defendant Persons’ Claims which any Released Defendant Person does not know or suspect to exist in his, her, or its favor at the time of the release of the Bond/Notes Plaintiff-Related Releasees, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to the applicable Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that,

(i) upon the Effective Date as to the Wachovia Settlement, Lead Bond/Notes Plaintiffs and each of the Wachovia Defendants shall expressly waive, and each of the other Settlement Class Members and each of the other Wachovia Releasees shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, and

(ii) upon the Effective Date as to the KPMG Settlement, Lead Bond/Notes Plaintiffs and each of the KPMG shall expressly waive, and each of the other Settlement Class Members and each of the other KPMG Releasees, shall be deemed to have waived, and by operation of the Judgment shall have expressly waived,

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<sup>19</sup> Released Bond/Notes Claims do not include, release, bar waive, impair or otherwise impact (i) any claims asserted in the actions styled *In re Wachovia Equity Securities Litigation*, No. 08 Civ. 6171 (RJS), *Stichting Pensioenfonds ABP, et al. v. Wachovia Corp., et al.*, 09 Civ. 04473 (RJS), and *FC Holdings AB, et al. v. Wells Fargo & Co., et al.*, No. 09 Civ. 5466 (RJS); or (ii) any claims of any Settlement Class Member against any Non-Settling Defendants. Additionally, Released Bond/Notes Claims do not include claims relating to the enforcement of the Settlements and do not include any claims against any Underwriter Defendant that does not provide to Lead Bond/Notes Counsel a signed Underwriter Defendant Release by the date that is five (5) business days prior to the date of the Settlement Hearing.

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 or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Bond/Notes Plaintiffs and each of the Wachovia Defendants acknowledge, and each of the other Settlement Class Members and each of the other Wachovia Releasees shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Wachovia Settlement; and Lead Bond/Notes Plaintiffs and KPMG acknowledge, and each of the other Settlement Class Members and each of the other KPMG Releasees shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the KPMG Settlement.

**“Released Defendant Persons”** means, with respect to the Wachovia Settlement, the “Wachovia Releasees” (as defined below), and with respect to the KPMG Settlement, the “KPMG Releasees” (as defined below).

**“Wachovia Releasees”** means the Wachovia Defendants and the Underwriter Defendants, their respective present and former direct and/or indirect parents, subsidiaries, divisions and affiliates and their respective present and former employees, members, partners, principals, Section 16 Officers, directors, agents, attorneys, advisors, administrators, representatives, accountants, auditors, insurers, and agents; the predecessors, successors, estates, heirs, executors, trusts, trustees, administrators, and assigns of each of them, in their capacity as such; and any firm, trust, corporation or other entity in which any Wachovia Defendant or Underwriter Defendant has or had a controlling interest, and the Immediate Family members of the Individual Defendants. The term Wachovia Releasees, however, shall not include any Underwriter Defendant which does not provide to Lead Bond/Notes Counsel a signed Underwriter Defendant Release by the date that is five (5) business days prior to the date of the Settlement Hearing; in such cases, any such Underwriter Defendant(s) and their respective related Persons shall not be a Wachovia Releasee under the terms of the Stipulation or otherwise be entitled to any of the rights and benefits of the Stipulation, including, without limitation, the Releases provided for therein. In addition, and notwithstanding the foregoing, Wachovia Releasees also do not include any of the KPMG Releasees.

**“KPMG Releasees”** means KPMG and its present and former parents, subsidiaries, divisions and affiliates and their respective present and former employees, members, partners, principals, Section 16 Officers, directors, agents, attorneys, advisors, administrators, representatives, accountants, auditors, insurers, and agents; the predecessors, successors, estates, heirs, executors, administrators, and assigns of each of them in their capacity as such, and any firm, trust, corporation, or other entity in which KPMG has or had a controlling interest. Notwithstanding the foregoing, KPMG Releasees do not include any of the Wachovia Releasees.

75. The Judgment will also provide that, upon the Effective Date of each Settlement that is approved by the Court, each of the applicable Defendant(s) and each of the other applicable Released Defendant Persons on behalf of themselves, their heirs, executors, administrators, predecessors, successors, affiliates and assigns, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed any and all claims and any and all causes of action of every nature and description, including both known claims and Unknown Claims, whether

based on federal, state, local or foreign statutory law or common law, rule or regulation, whether fixed or contingent, foreseen or unforeseen, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, existing now or to be created in the future, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims by Lead Bond/Notes Plaintiffs, the Settlement Class and their counsel, including Lead Bond/Notes Counsel, against the applicable Defendant(s) and the other applicable Releasees, except for claims relating to the enforcement of the applicable Settlement, and shall forever be enjoined from prosecuting any such claims against Bond/Notes Plaintiffs and all other Settlement Class Members, and Bond/Notes Plaintiffs' Counsel and each of their heirs, executors, administrators, predecessors, successors and assigns (the "Bond/Notes Plaintiff-Related Releasees") (provided, however, that the releases provided for in the Judgment shall not apply to any Person who validly opts-out of the Settlement Class and nothing in the Stipulation shall preclude any Person from opting out of the Settlement Class in accordance with the instructions set forth in paragraph 82 below).

76. In addition, the proposed Judgment provides for a "Bar Order" that will bar certain claims for indemnity and contribution by or against the Released Defendant Persons. The specific terms of the proposed Bar Order are set forth in the Stipulation. The proposed Judgment further provides that if the Settlement Class or any Settlement Class Member later obtains a judgment against a person subject to the Bar Order, such judgment shall be reduced by the greater of (i) an amount that corresponds to the percentage of responsibility of the Settling Defendants for the loss to the Settlement Class or the Settlement Class Member or (ii) the amount paid by or on behalf of the Settling Defendants to the Settlement Class or the Settlement Class Member for common damages.

WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?  
HOW WILL THE LAWYERS BE PAID?

77. Bond/Notes Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Class, nor have they been reimbursed for their out-of-pocket expenses. Prior to the Settlement Hearing (see paragraph 12), Lead Bond/Notes Counsel will apply to the Court for an award of attorneys' fees on behalf of Bond/Notes Plaintiffs' Counsel in an amount not to exceed 17.5% of the Settlement Fund. In addition, Lead Bond/Notes Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against Defendants, in an amount not to exceed \$1,800,000 (which may include an application for reimbursement of the reasonable costs and expenses incurred by the Bond/Notes Plaintiffs themselves that relate directly to their representation of the Settlement Class), plus interest on such expenses at the same rate as earned on the Settlement Amounts. Should the Court approve only one of the two Settlements, attorneys' fees will be paid only on the approved Settlement and the Litigation Expenses approved by the Court will be paid from the Settlement Fund created by the approved Settlement.

HOW DO I PARTICIPATE IN THE SETTLEMENTS? WHAT DO I NEED TO DO?

78. To be eligible for a payment from the proceeds of the Settlements, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than \_\_\_\_\_, 2011**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlements, [www.\\_\\_\\_\\_\\_.com](http://www._____.com), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-\_\_\_\_-\_\_\_\_-\_\_\_\_. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund. Please retain all records of your ownership of and transactions in Bond Class Securities, as they may be needed to document your Claim.

79. As a Settlement Class Member you are represented by Lead Bond/Notes Plaintiffs and Lead Bond/Notes Counsel, unless you enter an appearance through counsel of your own choice at your own expense.

You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When and Where Will the Court Decide Whether to Approve the Settlements?,” below.

80. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, “What If I Do Not Want to Participate in the Settlements? How Do I Exclude Myself?,” below.

81. If you are a Settlement Class Member and you wish to object to any aspect of the Wachovia Settlement or the KPMG Settlement (or both), to the Plan of Allocation, or to Lead Bond/Notes Counsel’s application for attorneys’ fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, “When and Where Will the Court Decide Whether to Approve the Settlements?,” below.

WHAT IF I DO NOT WANT TO PARTICIPATE IN THE SETTLEMENTS?  
HOW DO I EXCLUDE MYSELF?

82. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to *In re Wachovia Preferred Securities and Bond/Notes Litigation*, EXCLUSIONS, c/o The Garden City Group, Inc., P.O. Box 9804, Dublin, Ohio 43017-5704. The exclusion request must be *received* no later than \_\_\_\_\_, 2011. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must (a) state the name, address and telephone number of the person or entity requesting exclusion; (b) state that such person or entity “requests exclusion from the Settlement Class in *In re Wachovia Preferred Securities and Bond/Notes Litigation*, Master File No. 09 Civ. 6351 (RJS)”; (c) state the number of each Bond Class Security (in terms of shares or face value of notes) that the person or entity requesting exclusion purchased/acquired during the Settlement Class Period (*i.e.*, from the dates the securities were first offered through and including February 27, 2009), as well as any sales/dispositions during the Settlement Class Period or thereafter through the close of trading on August 4, 2011, as well as the dates and prices of each such purchase/acquisition and sale; and (d) be signed by such person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

83. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Bond/Notes Claim against any of the Released Defendant Persons.

84. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund, or any other benefit provided for in the Stipulation. If you ask to be excluded from the Settlement Class, you will be excluded from participation in the Settlements as whole, including both the Wachovia Settlement and the KPMG Settlement; in other words, you cannot exclude yourself from only one of the Settlements.

85. The Wachovia Defendants and KPMG, respectively, have the right to terminate the Wachovia Settlement and the KPMG Settlement, respectively, if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Lead Bond/Notes Plaintiffs and the applicable Settling Defendants.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENTS? DO I HAVE TO COME TO THE HEARING?  
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENTS?

86. **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if the Settlement Class Member does not attend the hearing. You can participate in the Settlements without attending the Settlement Hearing.**

87. The Settlement Hearing will be held on \_\_\_\_\_, 2011 at \_\_\_:\_\_\_ .m. before the Hon. Richard J. Sullivan, at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 21C, New York, NY 10007-1312. The Court reserves the right to approve the Settlements at or after the Settlement Hearing without further notice to the members of the Settlement Class.

88. Any Settlement Class Member who does not request exclusion may object to any aspect of the Wachovia Settlement or the KPMG Settlement (or both), the proposed Plan of Allocation or Lead Bond/Notes Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses. 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 \_\_\_\_\_, 2011. You must also serve the papers on designated representative Lead Bond/Notes Counsel and on counsel for the relevant Settling Defendants at the addresses set forth below for their respective counsel so that the papers are *received on or before* \_\_\_\_\_, 2011.

**Clerk's Office**

United States District Court for the  
Southern District of New York  
Daniel Patrick Moynihan United States Courthouse  
500 Pearl Street, New York, NY 10007-1312

**Representative Lead Bond/Notes Counsel**

William C. Fredericks, Esq.  
Bernstein Litowitz Berger & Grossmann LLP  
1285 Avenue of the Americas  
New York, NY 10019

**Counsel for the Wachovia Defendants**

Douglas H. Flaum, Esq.  
Israel David, Esq.  
Fried, Frank, Harris, Shriver & Jacobson  
One New York Plaza  
New York, New York 10004

**Counsel for KPMG**

John K. Villa, Esq.  
Williams & Connolly LLP  
725 Twelfth Street, N.W.  
Washington, D.C. 20005

89. Any objection (a) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (b) must include documents sufficient to prove membership in the Settlement Class, including the number (in terms of shares or face value of notes) of each Bond Class Security that the objecting Settlement Class Member purchased/acquired during the Settlement Class Period (*i.e.*, from the dates the securities were first offered through and including February 27, 2009), as well as sales of such securities during the Settlement Class Period or thereafter through the close of trading on August 4, 2011, along with the dates and prices of each such purchase/acquisition and sale. You may not object to any aspect of the Settlements, the Plan of Allocation or the motion for attorneys' fees and reimbursement of expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

90. 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 Court orders otherwise.

91. If you wish to be heard orally at the hearing in opposition to the approval of any aspect of the Settlements, the Plan of Allocation or Lead Bond/Notes Counsel's request for an award of attorneys' fees and reimbursement of expenses, 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 designated representative Lead Bond/Notes Counsel and counsel for the Settling Defendants at the addresses set forth above so that it is *received* on or before \_\_\_\_\_, 2011. 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.

92. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you decide to hire an attorney, which will be at your own expense, however, he or she must file a notice of appearance with the Court and serve it on designated representative Lead Bond/Notes Counsel and counsel for the Settling Defendants at the addresses set forth above so that the notice is *received* on or before \_\_\_\_\_, 2011.

93. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Bond/Notes Counsel.

**Unless the Court orders otherwise, any Settlement 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 any aspect of the proposed Settlements, the proposed Plan of Allocation or Lead Bond/Notes Counsel's request for an award of attorneys' fees and reimbursement of expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

94. If you purchased or otherwise acquired any of the Bond Class Securities (listed on page 1 of this Notice) during the Settlement Class Period for the beneficial interest of persons or organizations other than yourself, you must, within ten (10) calendar days after receipt of this Notice, either (a) forward copies of the Notice and Claim Form (the "Notice Packet") to all such beneficial owners; or (b) provide the names and addresses of such persons or entities to *In re Wachovia Preferred Securities and Bond/Notes Litigation*, c/o The Garden City Group, Inc., P.O. Box \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ - \_\_\_\_\_. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form can be obtained from the website maintained by the Claims Administrator, [www.\\_\\_\\_\\_\\_.com](http://www._____.com), or by calling the Claims Administrator toll-free at 1-\_\_\_\_-\_\_\_\_-\_\_\_\_\_.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

95. This Notice contains only a summary of the terms of the proposed Settlements. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500

Pearl Street, New York, NY 10007-1312. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, [www.\\_\\_\\_\\_\\_.com](http://www._____.com).

All inquiries concerning this Notice should be directed to:

*In re Wachovia Preferred Securities and Bond/Notes Litigation*

c/o The Garden City Group, Inc.

P.O. Box \_\_\_\_\_,

\_\_\_\_\_, \_\_\_\_\_

[www.\\_\\_\\_\\_\\_.com](http://www._____.com)

and/or

William C. Fredericks, Esq.  
BERNSTEIN LITOWITZ BERGER  
& GROSSMANN LLP  
1285 Avenue of the Americas  
New York, NY 10019  
[blbg@blbglaw.com](mailto:blbg@blbglaw.com)

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

Dated: \_\_\_\_\_, 2011

By Order of the Court  
United States District Court  
Southern District of New York

#563339

**Table A**  
**Summary of Wachovia Bond Class Securities**

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[13]
	Cusip	Security Type	Description	IPO or Supplemental Offering Date	Applicable Purchase/Acquisition Period	"Issue Price" For Securities Purchased/Acquired During Applicable Purchase/Acquisition Period <sup>1,2</sup>	Closing Price on January 21, 2009
1	929903219	Preferred	Wachovia Class A Preferred Stock, Series L	4/17/2008	From IPO Through 12/31/2008	\$1,000.00	\$570.00
2	929903EF	Preferred	Wachovia Class A Preferred Stock, Series K	2/8/2008	From IPO Through 12/31/2008	\$1,000.00	\$731.67
3	929903276	Preferred	Wachovia Class A Preferred Stock, Series J	12/21/2007	From IPO Through 12/31/2008	\$25.00	\$17.94
4	92978X201	Preferred	Wachovia Capital Trust IX Trust Preferred Securities	5/8/2007	From IPO Through End of Class Period	\$25.00	\$15.84
5	92978U207	Preferred	Wachovia Capital Trust IV Trust Preferred Securities	2/15/2007	From IPO Through End of Class Period	\$25.00	\$16.35
6	92979K208	Preferred	Wachovia Capital Trust X Trust Preferred Securities	11/21/2007	From IPO Through End of Class Period	\$25.00	\$20.15
7a	92976WBA	Bond	5.70% Notes Due 8/1/2013	7/31/2006	From IPO Through 11/13/2007	\$998.00	\$1,026.90
7b	92976WBA	Bond	5.70% Notes Due 8/1/2013	11/14/2007	From 11/14/2007 Through 11/21/2007	\$1,013.68	\$1,026.90
7c	92976WBA	Bond	5.70% Notes Due 8/1/2013	7/31/2006	From 11/22/2007 Through End of Class Period	\$1,001.92	\$1,026.90
8	92976WBB	Bond	Three-Month LIBOR Floating Rate Notes Due 8/1/2013	7/31/2006	From IPO Through End of Class Period	\$1,000.00	\$849.29
9	92976WBC	Bond	Three-Month LIBOR Floating Rate Senior Notes Due 12/1/2009	12/13/2006	From IPO Through End of Class Period	\$1,000.00	\$977.98
10	92976WBD	Bond	Three-Month LIBOR Floating Rate Notes Due 7/26/2010	7/26/2007	From IPO Through End of Class Period	\$1,000.00	\$961.39
11	92976WBG	Bond	Three-Month LIBOR Floating Rate Notes Due 11/24/2009	11/27/2007	From IPO Through End of Class Period	\$999.27	\$990.47
12	92976WBH	Bond	5.75% Notes Due 2/1/2018	1/31/2008	From IPO Through End of Class Period	\$995.72	\$980.00
13a	92976WBJ	Bond	5.50% Fixed Rate Notes Due 5/1/2013	4/25/2008	From IPO Through 5/28/2008	\$997.74	\$1,039.17
13b	92976WBJ	Bond	5.50% Fixed Rate Notes Due 5/1/2013	5/29/2008	From 5/29/2008 Through 6/5/2008	\$1,001.30	\$1,039.17
13c	92976WBJ	Bond	5.50% Fixed Rate Notes Due 5/1/2013	4/25/2008	From 6/5/2008 Through End of Class Period	\$997.97	\$1,039.17
14	92976WBK	Bond	Three-Month LIBOR Floating Rate Notes Due 5/1/2013	4/25/2008	From IPO Through End of Class Period	\$1,000.00	\$915.70
15a	929903CF	Bond	5.30% Notes Due 10/15/2011	10/23/2006	From IPO Through 2/11/2007	\$998.37	\$1,013.95
15b	929903CF	Bond	5.30% Notes Due 10/15/2011	2/12/2007	From 2/12/2007 Through 2/19/2007	\$1,002.52	\$1,013.95
15c	929903CF	Bond	5.30% Notes Due 10/15/2011	2/12/2007	From 2/20/2007 Through End of Class Period	\$999.67	\$1,013.95
16a	929903CG	Bond	Three-Month LIBOR Floating Rate Notes Due 10/15/2011	10/23/2006	From IPO Through 2/11/2007	\$1,000.00	\$920.81
16b	929903CG	Bond	Three-Month LIBOR Floating Rate Notes Due 10/15/2011	2/12/2007	From 2/12/2007 Through 2/19/2007	\$1,001.23	\$920.81
16c	929903CG	Bond	Three-Month LIBOR Floating Rate Notes Due 10/15/2011	2/12/2007	From 2/20/2007 Through End of Class Period	\$1,000.41	\$920.81
17	929903CH	Bond	5.625% Subordinated Notes Due 10/15/2016	10/23/2006	From IPO Through End of Class Period	\$996.62	\$931.12
18	929903CJ	Bond	Three-Month LIBOR Floating Rate Notes Due 10/15/2016	10/23/2006	From IPO Through End of Class Period	\$1,000.00	\$702.50
19a	929903DF	Bond	Three-Month LIBOR Floating Rate Notes Due 4/23/2012	4/23/2007	From IPO Through 6/18/2007	\$1,000.00	\$885.01
19b	929903DF	Bond	Three-Month LIBOR Floating Rate Notes Due 4/23/2012	6/19/2007	From 6/19/2007 Through 6/26/2007	\$1,000.41	\$885.01
19c	929903DF	Bond	Three-Month LIBOR Floating Rate Notes Due 4/23/2012	6/8/2007	From 6/27/2007 Through End of Class Period	\$1,000.03	\$885.01
20a	929903DT	Bond	5.75% Notes Due 6/15/2017	9/17/2007	From IPO Through 9/16/2007	\$995.77	\$1,006.93
20b	929903DT	Bond	5.75% Notes Due 6/15/2017	9/17/2007	From 9/17/2007 Through 9/24/2007	\$989.10	\$1,006.93
20c	929903DT	Bond	5.75% Notes Due 6/15/2017	12/18/2007	From 9/25/2007 Through 12/17/2007	\$994.40	\$1,006.93
20d	929903DT	Bond	5.75% Notes Due 6/15/2017	12/18/2007	From 12/18/2007 Through 12/25/2007	\$983.52	\$1,006.93
20e	929903DT	Bond	5.75% Notes Due 6/15/2017	6/8/2007	From 12/26/2007 Through End of Class Period	\$993.00	\$1,006.93
21	929903DU	Bond	Three-Month LIBOR Floating Rate Notes Due 6/15/2017	6/8/2007	From IPO Through End of Class Period	\$1,000.00	\$730.00
22	929903EC	Bond	Three-Month LIBOR Floating Rate Notes Due 8/20/2009	8/20/2007	From IPO Through End of Class Period	\$1,000.00	\$958.36

Notes:

<sup>1</sup> Issue price for Bonds are reported in \$1000 par value.<sup>2</sup> For securities with multiple offerings, beginning on the seventh day after supplemental offering, "Issue Price" is calculated using the average issue price weighted by the size of each offering to date of that security.

# **Exhibit 2**

**Must Be Postmarked No  
Later Than  
\_\_\_\_\_, 2011**

**In re Wachovia Preferred Securities and Bond/Notes Litigation  
c/o The Garden City Group, Inc.  
Claims Administrator  
P.O. Box \_\_\_\_\_**

\_\_\_\_\_, \_\_\_\_\_  
(Toll-free number) 1-\_\_\_\_-\_\_\_\_-\_\_\_\_

[www.\\_\\_\\_\\_\\_.com](http://www._____.com)

## **PROOF OF CLAIM AND RELEASE**

***THIS PROOF OF CLAIM MUST BE MAILED TO THE ADDRESS ABOVE  
AND POSTMARKED NO LATER THAN \_\_\_\_\_, 2011.***

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**PART I – CLAIMANT INFORMATION**

LAST NAME (CLAIMANT)

FIRST NAME (CLAIMANT)

Last Name (Beneficial Owner if Different From Claimant)

First Name (Beneficial Owner)

Last Name (Co-Beneficial Owner)

First Name (Co-Beneficial Owner)

Company/Other Entity (If Claimant Is Not an Individual)

Contact Person (if Claimant is Not an Individual)

Trustee/Nominee/Other

Account Number (If Claimant Is Not an Individual)

Trust/Other Date (If Applicable)

Address Line 1

Address Line 2 (If Applicable)

City

State

Zip Code

Foreign Province

Foreign Country

Foreign Zip Code

Telephone Number (Day)

Telephone Number (Night)

Beneficial Owner's Employer Identification Number or Social Security Number <sup>1</sup>

Email Address (Email address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.)

IDENTITY OF CLAIMANT (check only one box)

- Individual
- Joint Owners
- Estate
- Corporation
- Trust
- Partnership
- Private Pension Fund
- IRA, Keogh, or other type of individual retirement plan (indicate type of plan, mailing address, and name of current custodian)
- Legal Representative
- Other (specify, describe on separate sheet)

<sup>1</sup> The taxpayer identification number (TIN), consisting of a valid Social Security number (SSN) for individuals or employer identification number (EIN) for business entities, trusts, estates, etc., and telephone number of the beneficial owner(s) may be used in verifying this claim.

## PART II – GENERAL INSTRUCTIONS

- A. It is important that you completely read and understand the Notice of (I) Pendency of Class Action; (II) Proposed Settlements and Plan of Allocation; (III) Settlement Fairness Hearing, and (IV) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses that accompanies this Proof of Claim and Release form (“Claim Form”), including the Plan of Allocation of the Net Settlement Fund set forth in the Notice. The Notice describes the proposed Settlements, how Settlement Class Members are affected by the Settlements, and the manner in which the Net Settlement Fund will be distributed if the Settlements and Plan of Allocation are approved by the Court. The Notice also contains the definitions of many of the defined terms (which are indicated by initial capital letters) used in this Claim Form. By signing and submitting this Claim Form, you will be certifying that you have read and that you understand the Notice, including the terms of the releases described therein and provided for herein.
- B. TO BE ELIGIBLE TO RECEIVE A DISTRIBUTION FROM THE SETTLEMENTS, YOU MUST MAIL YOUR COMPLETED AND SIGNED CLAIM FORM TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, POSTAGE PREPAID, **POSTMARKED BY \_\_\_\_\_, 2011**, ADDRESSED AS FOLLOWS:

*In re Wachovia Preferred Securities and Bond/Notes Litigation*  
c/o The Garden City Group, Inc.  
P.O. Box \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_

If you fail to file a timely, properly addressed, and completed Claim Form, your claim may be rejected and you may be precluded from receiving any proceeds from the Settlements.

- C. This Proof of Claim is directed to all Persons who purchased or otherwise acquired any of the following securities (the “Bond Class Securities”) issued by Wachovia Corporation (“Wachovia”) from the dates they were first offered to the public for sale through and including February 27, 2009 (the “Settlement Class Period”), and were damaged thereby (the “Settlement Class”):

6.375% Wachovia Capital Trust IV Trust Preferred Securities (CUSIP 92978U207)	Three-Month LIBOR Floating Rate Senior Notes Due December 1, 2009 (CUSIP 92976WBC9)
6.375% Wachovia Capital Trust IX Trust Preferred Securities (CUSIP 92978X201)	Three-Month LIBOR Floating Rate Notes Due April 23, 2012 (CUSIP 929903DF6)
7.85% Wachovia Capital Trust X Trust Preferred Securities (CUSIP 92979K208)	Three-Month LIBOR Floating Rate Notes Due June 15, 2017 (CUSIP 929903DU3)
8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J (CUSIP 929903276)	5.75% Notes Due June 15, 2017 (CUSIP 29903DT6)
Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K (CUSIP 929403243, later denominated 929903EF5)	Three-Month LIBOR Floating Rate Notes Due July 26, 2010 (CUSIP 92976WBD7)
7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L (CUSIP 929903219)	Three-Month LIBOR Floating Rate Notes Due August 20, 2009 (CUSIP 929903EC2)
	Three-Month LIBOR Floating Rate Notes Due November 24, 2009 (CUSIP 92976WBG0)

Three-Month LIBOR Floating Rate Notes Due August 1, 2013 (CUSIP 92976WBB1)	5.75% Notes due February 1, 2018 (CUSIP 92976WBH8)
5.70% Notes Due August 1, 2013 (CUSIP 92976WBA3)	5.50% Fixed Rate Notes Due May 1, 2013 (CUSIP 92976WBJ4)
Three-Month LIBOR Floating Rate Notes Due October 15, 2011 (CUSIP 929903CG5)	Three Month LIBOR Floating Rate Notes due May 1, 2013 (CUSIP 92976WBK1)
5.30% Notes Due October 15, 2011 (CUSIP 929903CF7)	
5.625% Subordinated Notes Due October 15, 2016 (CUSIP 929903CH3)	
Three-Month LIBOR Floating Rate Subordinated Notes Due October 15, 2016 (CUSIP 929903CJ9)	

**Please note that the Bond Class Securities do not include Wachovia common stock or any other securities that are not listed above. Wachovia common stock is the subject of a separate class action suit, *In re Wachovia Equity Securities Litigation*, No. 08 Civ. 6171 (RJS) (S.D.N.Y), which is not part of the Settlements described in the Notice.**

- D. "Settlement Class Members" means any Persons who purchased or otherwise acquired Bond Class Securities during the Settlement Class Period and who were damaged thereby and who are not excluded by definition from the Settlement Class and do not timely submit a proper request for exclusion in accordance with the requirements set forth in the Notice. Persons and entities excluded from the Settlement Class by definition are all Defendants in the Action and their respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any entity in which any Defendant has or had a controlling interest, and any Person who has entered into a tolling agreement in connection with this Action and his, her or its respective current or former Section 16 Officers, directors, partners, Immediate Family members, affiliates, legal representatives, heirs, successors or assigns, and any entity in which any such Person has or had a controlling interest, provided that any Investment Vehicle (as defined in the Stipulation) shall not be deemed an excluded Person by definition.
- E. IF YOU ARE NOT A SETTLEMENT CLASS MEMBER, OR IF YOU FILED A REQUEST FOR EXCLUSION FROM THE SETTLEMENT CLASS, DO NOT SUBMIT A CLAIM FORM. YOU MAY NOT, DIRECTLY OR INDIRECTLY, PARTICIPATE IN THE SETTLEMENTS IF YOU ARE NOT A SETTLEMENT CLASS MEMBER OR IF YOU SUBMIT A VALID AND TIMELY REQUEST FOR EXCLUSION.
- F. Settlement Class Members will be bound by the terms of any judgments or orders entered in the Action WHETHER OR NOT A CLAIM FORM IS SUBMITTED, unless a valid request for exclusion from the Settlement Class is received by \_\_\_\_\_, 2011. As described in the Notice, the Judgment will release and enjoin the filing or continued prosecution of the Released Bond/Notes Claims against the Released Defendant Persons.
- G. **Submission of this Claim Form does not guarantee that you will share in the proceeds of the Settlements.** Distribution of the Net Settlement Fund will be governed by the Plan of Allocation set forth in the Notice, if it is approved by the Court, or by such other plan of allocation as the Court approves.

- H. Use Section III of this Claim Form entitled “SCHEDULE OF TRANSACTIONS IN WACHOVIA BOND CLASS SECURITIES” to supply all required details of your transaction(s) in the Bond Class Securities. On these schedules, provide all of the requested information with respect to (i) all purchases/acquisitions and sales of Bond Class Securities beginning with the date that the Bond Class Securities were first offered to the public for sale through and including the close of trading on August 4, 2011; and (ii) your closing positions in Bond Class Securities as of the close of trading on August 4, 2011. **Failure to report all transactions during the requested periods may result in the rejection of your claim.**
- I. You are required to submit genuine and sufficient documentation for all your transactions in and holdings of Bond Class Securities as set forth in the Schedule of Transactions in Part III. Documentation may consist of copies of brokerage confirmations or monthly statements. IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT CONTEMPORANEOUS DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION MAY RESULT IN THE REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS. **Please keep a copy of all documents that you send to the Claims Administrator. Also, please do not highlight any portion of the Claim Form or any supporting documents.**
- J. [Participants and beneficiaries in the [INSERT NAMES OF WACHOVIA PLAN[S]] (the “Wachovia ERISA Plan[s]”) should not include any information relating to their transactions within the Plan[s] in any Claim Form that they may submit in this Action. Claims based on the Wachovia ERISA Plan[s]’ purchases of Bond Class Securities during the Settlement Class Period may be made by the Plan[s]’ trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in the Plan[s], such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from these Settlements by the Wachovia ERISA Plan[s].
- K. Separate Claim Forms should be submitted for each separate legal entity (*e.g.*, a claim from joint owners should not include separate transactions of just one of the joint owners, and an individual should not combine his or her IRA transactions with transactions made solely in the individual’s name). Conversely, a single Claim Form should be submitted on behalf of one legal entity including all transactions made by that entity on one Claim Form, no matter how many separate accounts that entity has (*e.g.*, a corporation with multiple brokerage accounts should include all transactions made in all accounts on one Claim Form).
- L. All joint beneficial owners must each sign this Claim Form. If you purchased or otherwise acquired Bond Class Securities during the Settlement Class Period and held the securities in your name, you are the beneficial owner as well as the record owner. If, however, you purchased or otherwise acquired Bond Class Securities during the Settlement Class Period and the securities were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial owner of these securities, but the third party is the record owner.
- M. Agents, executors, administrators, guardians, and trustees must complete and sign the Claim Form on behalf of persons represented by them, and they must:
- (a) expressly state the capacity in which they are acting;

(b) identify the name, account number, Social Security Number (or taxpayer identification number), address and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the Bond Class Securities; and

(c) furnish herewith evidence of their authority to bind to the Claim Form the person or entity on whose behalf they are acting. (Authority to complete and sign a Claim Form cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade stock in another person's accounts.)

N. By submitting a signed Claim Form, you will be swearing that you:

- (a) own(ed) the Bond Class Securities you have listed in the Claim Form; or
- (b) are expressly authorized to act on behalf of the owner thereof.

O. By submitting a signed Claim Form, you will be swearing to the truth of the statements contained therein and the genuineness of the documents attached thereto, subject to penalties of perjury under the laws of the United States of America. The making of false statements, or the submission of forged or fraudulent documentation, will result in the rejection of your claim and may subject you to civil liability or criminal prosecution.

P. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. To obtain the mandatory electronic filing requirements and file layout, you may visit the settlement website at [www.\\_\\_\\_\\_\\_.com](http://www._____.com) or you may email the Claims Administrator's electronic filing department at [\\_\\_\\_\\_\\_.com](mailto:_____.com). Any file not in accordance with the required electronic filing format will be subject to rejection. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues an email after processing your file with your claim numbers and respective account information. Do not assume that your file has been received or processed until you receive this email. If you do not receive such an email within 10 days of your submission, you should contact the electronic filing department at [\\_\\_\\_\\_\\_.com](mailto:_____.com) to inquire about your file and confirm it was received and acceptable.

Q. If you have questions concerning the Claim Form, or need additional copies of the Claim Form or the Notice, you may contact the Claims Administrator, The Garden City Group, Inc., at the above address or by toll-free phone at 1-\_\_\_\_-\_\_\_\_-\_\_\_\_, or you may download the documents from [www.\\_\\_\\_\\_\\_.com](http://www._____.com).

**PART III – SCHEDULE OF TRANSACTIONS IN WACHOVIA BOND CLASS SECURITIES**

Failure to provide proof of all purchases/acquisitions, sales, and ending holdings information requested below will impede proper processing of your claim and may result in the rejection of your claim. Please include proper documentation with your Claim Form as described in detail in Part II – General Instructions, Paragraph I, above. *Please do not provide any information regarding securities that are not included in the Settlements (e.g., Wachovia common stock).*

**A. Wachovia Preferred Securities:**

<b>1. Purchases/Acquisitions</b> – Separately list each and every purchase/acquisition, including free receipts, of Wachovia Preferred Securities listed in the box below <b>at any time prior to the close of trading on August 4, 2011.</b> <sup>2</sup> Please be sure to include the Preferred Security Code for each security purchased/acquired.				<b>IF NONE, CHECK HERE</b>  <input type="radio"/>
Preferred Security Code (See Box below)	Date of purchase/acquisition (List chronologically) MM DD YYYY	Number of shares purchased/acquired	Purchase/acquisition price per share (excluding taxes, commissions and fees)	Proof of purchase/acquisition enclosed
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
<b>2. Sales</b> – Separately list each and every sale, including free deliveries, of Wachovia Preferred Securities listed in the box below <b>at any time prior to the close of trading August 4, 2011.</b> Please be sure to include the Preferred Security Code for each security sold.				<b>IF NONE, CHECK HERE</b>  <input type="radio"/>
Preferred Security Code (See Box below)	Date of sale (List chronologically) MM DD YYYY	Number of shares sold	Sale price per share (excluding taxes, commissions and fees)	Proof of sale enclosed
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
	/ /		\$	<input type="radio"/> Y <input type="radio"/> N

<sup>2</sup> **Please note:** Information requested with respect to your purchases/acquisitions of Wachovia Preferred Securities during the time period from the dates they were first offered to the public for sale through the close of trading on August 4, 2011 is needed in order to balance your claim; however, purchases/acquisitions after February 27, 2009 are not eligible under the Settlements and will not be used for purposes of calculating your Recognized Losses pursuant to the Plan of Allocation.

	/ /		\$	<input type="radio"/> Y <input type="radio"/> N
<b>3. Ending Holdings</b> – State the number of shares of Wachovia Preferred Securities you held as of the close of trading on <b>August 4, 2011</b> . If none, write “zero” or “0”. Please be sure to include the Preferred Security Code for each security held.				
Preferred Security Code (See Box Below)	Number of Shares Held			Proof of holding enclosed
	_____ shares			<input type="radio"/> Y <input type="radio"/> N
	_____ shares			<input type="radio"/> Y <input type="radio"/> N
	_____ shares			<input type="radio"/> Y <input type="radio"/> N
	_____ shares			<input type="radio"/> Y <input type="radio"/> N
	_____ shares			<input type="radio"/> Y <input type="radio"/> N

The preferred securities included in the Settlements consist of the following six Wachovia-issued preferred securities (“Wachovia Preferred Securities”)<sup>3</sup>:

Preferred Security Code	Preferred Security Description	Initial Offering Date	CUSIP Number
A	6.375% Wachovia Capital Trust IV Trust Preferred Securities	02/15/07	92978U207
B	6.375% Wachovia Capital Trust IX Trust Preferred Securities	05/8/07	92978X201
C	7.85% Wachovia Capital Trust X Trust Preferred Securities	11/21/07	92979K208
D	8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J	12/21/07	929903276
E	Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K	02/8/08	929403243, later denominated 929903EF5
F	7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L	04/17/08	929903219

<sup>3</sup> As described in the proposed Plan of Allocation set forth in the Notice, only those Settlement Class Members who purchased or otherwise acquired Wachovia Preferred Securities that were first offered to the public on or after April 23, 2007 will be eligible to participate in the distribution of the portion of the Net Settlement Fund created by the KPMG Settlement.

**B. Wachovia Notes**

<b>1. Purchases/Acquisitions</b> – Separately list each and every purchase/acquisition, including free receipts, of Wachovia Notes listed in the box below <b>at any time prior to the close of trading on August 4, 2011.</b> <sup>4</sup> Please be sure to include the Note Code for each note purchased/acquired.				<b>IF NONE, CHECK HERE</b> <input type="radio"/>		
Note Code (See Box below)	Date of purchase/acquisition (List chronologically) MM DD YYYY			Face Value purchased/acquired	Purchase/acquisition price per note (excluding taxes, commissions and fees)	Proof of purchase/acquisition on enclosed
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
<b>2. Sales</b> – Separately list each and every sale, including free deliveries, of Wachovia Notes listed in the box below <b>at any time prior to the close of trading on August 4, 2011.</b> Please be sure to include the Note Code for each note sold.				<b>IF NONE, CHECK HERE</b> <input type="radio"/>		
Note Code (See Box below)	Date of sale (List chronologically) MM DD YYYY			Face Value sold	Sale price per note (excluding taxes, commissions and fees)	Proof of sale enclosed
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
	/	/			\$	<input type="radio"/> Y <input type="radio"/> N
<b>3. Ending Holdings</b> – State the face value of Wachovia Notes you held as of the close of trading on <b>August 4, 2011.</b> If none, write “zero” or “0”. Please be sure to include the Note Code for each security held.						
Note Code (See Box Below)	Face Value Held			Proof of holding enclosed		
	\$			<input type="radio"/> Y <input type="radio"/> N		

<sup>4</sup> **Please note:** Information requested with respect to your purchases/acquisitions of Wachovia Notes during the time period from the dates they were first offered to the public for sale through the close of trading on August 4, 2011 is needed in order to balance your claim; however, purchases/acquisitions after February 27, 2009 are not eligible under the Settlements and will not be used for purposes of calculating your Recognized Losses pursuant to the Plan of Allocation.

	\$	<input type="radio"/> Y <input type="radio"/> N
	\$	<input type="radio"/> Y <input type="radio"/> N
	\$	<input type="radio"/> Y <input type="radio"/> N
	\$	<input type="radio"/> Y <input type="radio"/> N

The notes included in the Settlements consist of the following sixteen Wachovia-issued notes (“Wachovia Notes”)<sup>5</sup>:

Note Code	Note Description	Initial Offering Date	CUSIP Number
G	Three-Month LIBOR Floating Rate Notes Due August 1, 2013	7/31/06	92976WBB1
H	5.70% Notes Due August 1, 2013	7/31/06	92976WBA3
I	Three-Month LIBOR Floating Rate Notes Due October 15, 2011	10/23/06	929903CG5
J	5.30% Notes Due October 15, 2011	10/23/06	929903CF7
K	5.625% Subordinated Notes Due October 15, 2016	10/23/06	929903CH3
L	Three-Month LIBOR Floating Rate Subordinated Notes Due October 15, 2016	10/23/06	929903CJ9
M	Three-Month LIBOR Floating Rate Senior Notes Due December 1, 2009	12/13/06	92976WBC9
N	Three-Month LIBOR Floating Rate Notes Due April 23, 2012	4/23/07	929903DF6
O	Three-Month LIBOR Floating Rate Notes Due June 15, 2017	6/8/07	929903DU3
P	5.75% Notes Due June 15, 2017	6/8/07	929903DT6
Q	Three-Month LIBOR Floating Rate Notes Due July 26, 2010	7/26/07	92976WBD7
R	Three-Month LIBOR Floating Rate Notes Due August 20, 2009	8/20/07	929903EC2
S	Three-Month LIBOR Floating Rate Notes Due November 24, 2009	11/27/07	92976WBG0
T	5.75% Notes due February 1, 2018	1/31/08	92976WBH8

<sup>5</sup> As described in the proposed Plan of Allocation set forth in the Notice, only those Settlement Class Members who purchased or otherwise acquired Wachovia Notes that were first offered to the public on or after April 23, 2007 will be eligible to participate in the distribution of the portion of the Net Settlement Fund created by the KPMG Settlement.

U	5.50% Fixed Rate Notes Due May 1, 2013	4/25/08	92976WBJ4)
V	Three Month LIBOR Floating Rate Notes due May 1, 2013	4/25/08	92976WBK1

**IF YOU REQUIRE ADDITIONAL SPACE FOR ANY OF THE SCHEDULES ABOVE, ATTACH EXTRA SCHEDULES IN THE SAME FORMAT. PRINT THE BENEFICIAL OWNER'S FULL NAME AND TAXPAYER IDENTIFICATION NUMBER ON EACH ADDITIONAL PAGE. IF YOU DO ATTACH EXTRA SCHEDULES, CHECK THIS BOX**

**PART IV - RELEASE OF CLAIMS AND SIGNATURE**

**YOU MUST ALSO READ THE RELEASE AND CERTIFICATION BELOW AND SIGN ON PAGE \_\_\_ OF THIS CLAIM FORM.**

I (we) hereby acknowledge that as of the Effective Date of the respective Settlements, pursuant to the terms set forth in the Stipulation, I (we) shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed each and every Released Bond/Notes Claim (as defined in the Stipulation) against all of the applicable Released Defendant Persons (as defined in the Stipulation), and shall forever be enjoined from prosecuting any or all of the Released Bond/Notes Claims against any of the applicable Released Defendant Persons, with respect to each Settlement as to which the Effective Date has occurred.

**V. CERTIFICATION**

By signing and submitting this Claim Form, the claimant(s) or the person(s) who represents the claimant(s) certifies, as follows:

1. that I (we) have read and understand the contents of the Notice and this Claim Form, including the releases provided for in the Settlements;
2. that the claimant(s) is a (are) Settlement Class Member(s), as defined in the Notice, and is (are) not excluded by definition from the Settlement Class;
3. that the claimant **has not** submitted a request for exclusion from the Settlement Class;
4. that I (we) own(ed) the Bond Class Securities identified in the Claim Form and have not assigned the claim against the Released Defendant Persons to another, or that, in signing and submitting this Claim Form, I (we) have the authority to act on behalf of the owner(s) thereof;
5. that the claimant has not submitted any other claim covering the same purchases/acquisitions, sales, or holdings of Bond Class Securities and knows of no other person having done so on his/her/its behalf;
6. that the claimant submits to the jurisdiction of the Court with respect to his/her/its claim and for purposes of enforcing the releases set forth herein;
7. that I (we) agree to furnish such additional information with respect to this Claim Form as Lead Bond/Notes Counsel, the Claims Administrator or the Court may require;
8. that the claimant waives the right to trial by jury, to the extent it exists, and agrees to the Court's summary disposition of the determination of the validity or amount of the claim made by this Claim Form;
9. that I (we) acknowledge that the claimant will be bound by and subject to the terms of any judgment(s) that may be entered in the Action; and
10. that the claimant is NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code because (a) the claimant is exempt from backup withholding or (b) the claimant has not been notified by the IRS that he/she/it is subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified the claimant that he/she/it is no longer subject to backup withholding. **If the IRS has notified the claimant that he, she or it is subject to backup withholding, please strike out the language in the preceding sentence indicating that the claim is not subject to backup withholding in the certification above.**

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

DOCUMENTS SUBMITTED HERewith ARE TRUE AND CORRECT COPIES OF WHAT THEY PURPORT TO BE.

---

Signature of claimant

Date

---

Print your name here

---

Signature of joint claimant, if any

Date

---

Print your name here

***If the claimant is other than an individual, or is not the person completing this form, the following also must be provided:***

---

Signature of person signing on behalf of claimant

Date

---

Print your name here

---

Capacity of person signing on behalf of claimant, if other than an individual, e.g., executor, president, custodian, etc.

THIS CLAIM FORM MUST BE POSTMARKED NO LATER THAN \_\_\_\_\_, 2011, AND MUST BE MAILED TO:

In re Wachovia Preferred Securities and Bond/Notes Litigation  
c/o The Garden City Group, Inc.  
Claims Administrator  
P.O. Box \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

A Claim Form received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by \_\_\_\_\_, 2011 and if a postmark is indicated on the envelope and it is mailed First Class, and addressed in accordance with the above instructions. In all other cases, a Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to fully process all of the Claim Forms. Please be patient and notify the Claims Administrator of any change of address.

**REMINDER CHECKLIST:**

1. Please sign the above release and certification. If this Claim Form is being made on behalf of joint claimants, then both must sign.
2. Remember to attach only **copies** of acceptable supporting documentation.
3. Please do not highlight any portion of the Claim Form or any supporting documents.
4. Do not send original stock certificates or documentation. These items cannot be returned to you by the Claims Administrator.
5. Keep copies of the completed Claim Form and documentation for your own records.
6. The Claims Administrator will acknowledge receipt of your Claim Form by mail, within 60 days. Your claim is not deemed filed until you receive an acknowledgement postcard. If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator toll free at 1-\_\_\_\_-\_\_\_\_-\_\_\_\_.
7. If your address changes in the future, or if this Claim Form was sent to an old or incorrect address, please send the Claims Administrator written notification of your new address. If you change your name, please inform the Claims Administrator.
8. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at the above address or toll-free at 1-\_\_\_\_-\_\_\_\_-\_\_\_\_, or visit [www.\\_\\_\\_\\_\\_.com](http://www._____.com).

#560554

# **Exhibit 3**

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

IN RE WACHOVIA PREFERRED SECURITIES  
AND BOND/NOTES LITIGATION

Master File No. 09 Civ. 6351 (RJS)

**ECF Case**

**SUMMARY NOTICE OF (I) PENDENCY OF CLASS ACTION;  
(II) PROPOSED SETTLEMENTS AND PLAN OF ALLOCATION;  
(III) SETTLEMENT FAIRNESS HEARING; AND (IV) MOTION FOR AN AWARD OF  
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

**TO: All persons and entities who purchased or otherwise acquired any of the following securities (the "Bond Class Securities")<sup>1</sup> issued by Wachovia Corporation ("Wachovia") from the dates they were first offered to the public for sale through and including February 27, 2009, and were damaged thereby:**

6.375% Wachovia Capital Trust IV Trust Preferred Securities (CUSIP 92978U207)	Three-Month LIBOR Floating Rate Subordinated Notes Due October 15, 2016 (CUSIP 929903CJ9)
6.375% Wachovia Capital Trust IX Trust Preferred Securities (CUSIP 92978X201)	Three-Month LIBOR Floating Rate Senior Notes Due December 1, 2009 (CUSIP 92976WBC9)
7.85% Wachovia Capital Trust X Trust Preferred Securities (CUSIP 92979K208)	Three-Month LIBOR Floating Rate Notes Due April 23, 2012 (CUSIP 929903DF6)
8.00% Non-Cumulative Perpetual Class A Preferred Stock, Series J (CUSIP 929903276)	Three-Month LIBOR Floating Rate Notes Due June 15, 2017 (CUSIP 929903DU3)
Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series K (CUSIP 929403243, later denominated 929903EF5)	5.75% Notes Due June 15, 2017 (CUSIP 929903DT6)
7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L (CUSIP 929903219)	Three-Month LIBOR Floating Rate Notes Due July 26, 2010 (CUSIP 92976WBD7)
Three-Month LIBOR Floating Rate Notes Due August 1, 2013 (CUSIP 92976WBB1)	Three-Month LIBOR Floating Rate Notes Due August 20, 2009 (CUSIP 929903EC2)
5.70% Notes Due August 1, 2013 (CUSIP 92976WBA3)	Three-Month LIBOR Floating Rate Notes Due November 24, 2009 (CUSIP 92976WBG0)
Three-Month LIBOR Floating Rate Notes Due October 15, 2011 (CUSIP 929903CG5)	5.75% Notes due February 1, 2018 (CUSIP 92976WBH8)
5.30% Notes Due October 15, 2011 (CUSIP 929903CF7)	5.50% Fixed Rate Notes Due May 1, 2013 (CUSIP 92976WBJ4)
5.625% Subordinated Notes Due October 15, 2016 (CUSIP 929903CH3)	Three Month LIBOR Floating Rate Notes due May 1, 2013 (CUSIP 92976WBK1)

<sup>1</sup> The Bond Class Securities do not include Wachovia common stock or any other securities that are not listed in this notice. Wachovia common stock is the subject of a separate class action suit, *In re Wachovia Equity Securities Litigation*, No. 08 Civ. 6171 (RJS) (S.D.N.Y.), which is not part of the Settlements described in this notice.

**PLEASE READ THIS NOTICE CAREFULLY, YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

YOU ARE HEREBY NOTIFIED, 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, (i) that the above-captioned litigation (the "Action") has been certified as a class action on behalf of all persons and entities who purchased or otherwise acquired Bond Class Securities during the time period from the first date on which any of the Bond Class Securities were offered through and including February 27, 2009, and were damaged thereby (the "Settlement Class"), except for certain persons and entities who are excluded from the Settlement Class by definition as set forth in the Stipulation and Agreements of Settlement in the Action (the "Stipulation"); and (ii) that Lead Bond/Notes Plaintiffs in the Action have reached agreements to settle the Action for settlement payments totaling \$627 million in cash, plus interest thereon, consisting of (a) a \$590 million cash settlement with the Wachovia Defendants (the "Wachovia Settlement") and (b) a \$37 million cash settlement with defendant KPMG LLP (the "KPMG Settlement") (collectively, the "Settlements").

A hearing will be held on \_\_\_\_\_, 2011 at \_\_\_:\_\_\_ .m before the Honorable Richard J. Sullivan at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 21C, New York, NY 10007-1312, to determine (i) whether the proposed Settlements should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice against the Defendants, and the releases specified and described in the Stipulation should be granted; (iii) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (iv) whether Lead Bond/Notes Counsel's application for an award of attorneys' fees and reimbursement of expenses should be approved.

**If you are a member of the Settlement Class, your rights will be affected by the pending Action and the Settlements, and you may be entitled to share in the Settlement Fund.** If you have not yet received the full printed Notice of (I) Pendency of Class Action; (II) Proposed Settlements and Plan of Allocation, (III) Settlement Fairness Hearing, and (IV) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice"), and the Proof of Claim and Release form ("Claim Form"), you may obtain copies of these documents by contacting the Claims Administrator: *In re Wachovia Preferred Securities and Bond/Notes Litigation*, c/o The Garden City Group, Inc., Claims Administrator, P.O. Box \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_-\_\_\_\_\_, 1-\_\_\_\_-\_\_\_\_\_. Copies of the Notice and Claim Form can also be downloaded from the website maintained by the Claims Administrator, [www.\\_\\_\\_\\_\\_com](http://www._____com).

If you are a member of the Settlement Class, in order to be eligible to receive a payment under the proposed Settlements, **you must submit a Claim Form postmarked no later than \_\_\_\_\_, 2011.** If you are a member of the Settlement Class and do not submit a proper Claim Form, you will not share in the distribution of the net proceeds of the Settlements but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.

If you are a member of the Settlement Class and wish to exclude yourself from the Settlement Class, you must submit a request for exclusion such that it is *received* no later than \_\_\_\_\_, 2011, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to share in the proceeds of the Settlements.

Any objections to any aspect of the proposed Settlements, the proposed Plan of Allocation, or Lead Bond/Notes Counsel's application for an award of attorneys' fees and reimbursement of expenses, must be filed with the Court and delivered to designated representative Lead Bond/Notes Counsel and counsel for the relevant Settling Defendants such that they are *received* no later than \_\_\_\_\_, 2011, in accordance with the instructions set forth in the Notice.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. Inquiries, other than requests for the Notice and Claim Form, may be made to Lead Bond/Notes Counsel:

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By Order of the Court

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