

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION**

JAMES J. MORROW, PATRICIA MORROW,
and SCOTT E. WEISER, not individually but
as the personal representative of the ESTATE
OF MORRIS WEISER, individually
and as class representative,

Plaintiffs,

v.

THEODORE H. ROBERTS, WILLIAM H.
TYDA, JEROME P. CROKE, JAY T. FITTS,
ROBERT H. JONES, WILLIAM E. LONG,
ROBERT L. BRIGHAM, JAMES SHERMAN,
ROBERT J. TAYLOR, LASALLE-TALMAN
BANK, F.S.B., a federal savings bank, ABN
AMRO NORTH AMERICA, INC., a Delaware
corporation, and SALOMON BROTHERS, INC.,
a Delaware corporation,

Defendants.

No. 96 CH 11208

Judge James R. Epstein

**NOTICE OF IMPLEMENTATION OF SETTLEMENT AGREEMENT
AND OPPORTUNITY TO RECEIVE SETTLEMENT BENEFITS**

TO: THE MEMBERS OF THE CERTIFIED CLASS CONSISTING OF ALL PERSONS WHO OWNED SHARES OF STOCK AND/OR OPTIONS TO PURCHASE SHARES OF STOCK IN THE TALMAN HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF ILLINOIS (“TALMAN”) AS OF SEPTEMBER 6, 1991, AND WHOSE SHARES OF TALMAN STOCK WERE SUBJECT TO BEING PURCHASED FOR \$10.00 PER SHARE BY A SUBSIDIARY OF ABN AMRO, NORTH AMERICA, INC. (“ABN”), PURSUANT TO THE TERMS OF THE MERGER BETWEEN TALMAN AND ABN

This notice is being provided by order of the Court in the above identified class action (the “Action”) to inform you that you may be eligible for benefits from the implementation of the settlement of the Action (the “Settlement”), which was previously approved by the Court. The Notice provides a short summary of the Settlement, of which class members were given notice in November 2004, and describes the receipt of additional settlement proceeds. In order to receive settlement benefits you will need to complete a valid Proof of Claim by **January 31, 2008**. A copy of the Proof of Claim form is attached to this Notice.

If you have questions about any portion of this Notice or want to obtain additional copies of the Proof of Claim form, you may write to Talman Bank Securities Litigation c/o The Garden City Group, Inc., P.O. Box 9165, Dublin, OH 43017-4165 or visit www.talmanclassaction.com, where you may view the court documents, Settlement Agreement, and other pertinent materials. Please do not contact the Court, the Clerk of Court, or plaintiffs’ or defendants’ counsel with questions.

Summary of Settlement

The representative class plaintiff, Morris Weiser, as well as the additional named plaintiffs, James Morrow and Patricia Morrow, entered into a Settlement Agreement with all defendants on October 20, 2004 that resolved all claims asserted by them in the Action. In entering the settlement, the defendants strongly denied, and continue to strongly deny, that they are guilty of any wrongdoing. After notice to the Class and a fairness hearing, the Settlement was approved by the Court on December 2, 2004.

The Settlement created a settlement fund (the “Settlement Fund”), to which defendants contributed \$1,050,000 in cash upon approval of the Settlement. In addition, pursuant to the Settlement, defendants agreed to deposit a share of their ultimate recovery in the action against the federal government brought by the successor to Talman entitled *LaSalle Talman Bank, F.S.B. v. United States*, No. 92-652C (Fed. Cl.) (the “LaSalle Federal Action”), net of taxes and the costs of prosecution, and based on a sliding percentage scale that increased with the amount of the recovery. Defendants recently collected a monetary judgment award in the LaSalle Federal Action in the amount of \$154,988,700 and deposited

the class's calculated share of that recovery, totaling \$9,856,169.63, in the Settlement Fund. The Settlement Fund is being held in an interest bearing escrow account with LaSalle Bank National Association, and, as of July 31, 2007, totaled \$11,173,290.26.

Nature of the Case

The plaintiffs brought this Action to recover alleged losses and damages arising from the defendants' alleged breaches of fiduciary duty, negligence and constructive fraud in connection with the merger of Talman into a subsidiary of ABN. The merger was effectively forced on Talman by the federal government, following the enactment of the Financial Institutions Reform Recovery and Enforcement Act of 1989 (known by its acronym "FIRREA"). Among other things, FIRREA changed the capitalization requirements for savings and loans by effectively canceling the government's agreement to recognize "supervisory goodwill" as an asset to be counted against those capitalization requirements. As a result, Talman lost hundreds of millions of dollars in reported capital, and was rendered insolvent.

Plaintiffs alleged that the government's action gave rise to a claim -- known as a "goodwill claim" -- for the injury caused to Talman and its shareholders by the abrogation of Talman's supervisory goodwill. Plaintiffs further alleged that defendants effectuated the merger without attempting to preserve Talman's goodwill claim for the benefit of Talman's shareholders, and without disclosing to the shareholders the existence of the claim or the fact that the claim would pass to ABN as a result of the merger for no additional consideration. Plaintiffs also alleged that after the merger, an ABN subsidiary caused Talman's goodwill claim to be filed for the benefit of ABN and its subsidiary, and not for the benefit of the prior Talman shareholders, who actually suffered the injury. Finally, plaintiffs alleged that ABN did not pay any extra value to acquire Talman's unique and valuable goodwill claim. This goodwill claim was the subject of the LaSalle Federal Action, and ultimately resulted in the monetary judgment discussed above.

All of the defendants vigorously denied any wrongdoing and specifically denied the substantive allegations of plaintiffs' Amended Complaint. In agreeing to the Settlement, the defendants did not admit to any wrongdoing.

On August 25, 2006, in the LaSalle Federal Action, the United States Court of Appeals for the Federal Circuit affirmed the monetary judgment entered by the Court of Federal Claims against the federal government in the amount of \$154,988,700. On January 11, 2007, the federal government transferred \$155,026,460.93 to LaSalle Bank ("LaSalle") in full payment of the affirmed judgment, plus costs awarded against the government.

Description of the Settlement

The Settlement was designed to provide the Plaintiff Class with the remedy it sought by bringing the Action -- namely, the right to participate in any net recovery in the LaSalle Federal Action. At the same time, the Plaintiff Class acknowledged that LaSalle, and its predecessors and successor-in-interest, are the sole owners of the contract with and claim against the United States that is the subject of the LaSalle Federal Action. By entering into the Settlement, LaSalle did not assign its contract with or claims against the United States, or its interest in the LaSalle Federal Action.

Pursuant to the Settlement, defendants were to contribute an initial payment to the Settlement Fund, which would be supplemented, in the event of a successful conclusion of the LaSalle Federal Action, with the Class' calculated share of the net recovery, based on the formula in the Settlement Agreement. In this regard, plaintiffs' share of the recovery in the LaSalle Federal Action is computed by calculating the net recovery (the amount paid to LaSalle by the federal government, less taxes required to be paid by LaSalle on the judgment and litigation expenses incurred by LaSalle), and applying the sliding percentages set forth therein. In December 2004, defendants contributed \$1,050,000 in cash to the Settlement Fund. Thereafter, on January 24, 2007, following the successful conclusion of the LaSalle Federal Action, the defendants contributed \$9,856,169.63 to the Settlement Fund.

The proceeds of the Settlement Fund, after the Court-approved payment of class counsel's attorneys' fees, as well as the reimbursement of litigation expenses advanced by class counsel, will be disbursed on a *pro rata* basis to the members of the Plaintiff Class, based on the number of Talman common shares and/or options owned by each class member as of September 6, 1991. In order to share in the recovery, class members will be required to file properly completed, valid, and timely claims in the form attached hereto. Defendants who were Talman shareholders as of September 6, 1991 will be eligible to share in the Class' portion of the net recovery from the LaSalle Federal Action, but will not be eligible to share in the initial \$1,050,000 payment, or the interest accruing thereon. Any unclaimed funds, other than the initial \$1,050,000 payment (plus accrued interest), will revert to LaSalle and will be repaid to LaSalle by the Plaintiff Class or its disbursing agent within ten days of the final distribution or disbursement to the members of the Plaintiff Class, and will not be reallocated among the eligible claimants.

Pursuant to the Settlement, the Court dismissed this Action on the merits with prejudice, permanently enjoining the Plaintiff Class from asserting against any party, person or entity any and all claims, demands, or causes of action that

are alleged in the Amended Complaint or could have been alleged. In addition, members of the plaintiff class will release defendants from any claims that (i) arise out of or are related in any way to any or all of the acts, omissions, facts, matters, transactions, or occurrences that were alleged, asserted, described, set forth or referenced in any complaint, other pleading, or filing in the Action, (ii) could have been asserted in the Action, (iii) arise out of or relate in any way to Salomon's fairness opinion (dated September 16, 1991) at issue in the Action, or (iv) relate to the subject matter of the Action. The Court retained jurisdiction over the Action only for purposes of enforcing and implementing the Settlement.

Attorneys' Fees, Costs and Expenses

Pursuant to the Settlement, the Court has authorized an award of attorneys' fees to counsel for the Plaintiff Class, as well as reimbursement for the Class' out-of-pocket litigation expenses advanced by counsel, to be disbursed from the Settlement Fund. In particular, counsel for the Plaintiff Class has been paid 25% of the Class' recovery as their fee for legal services rendered in the Action, in accordance with the prior Notices to the Class, the retainer agreement with the class representative, and the Court's order. Also in accordance with the Court's order, counsel has been paid \$221,060.44 as reimbursement for actual litigation costs advanced by counsel, and InteCap, Inc., whose employee Michael Mayer served as the Class' principal expert witness, has been paid \$150,000 for the balance of its expert witness fees that had been previously deferred.

Examination of Papers

The foregoing references to the proceedings, pleadings, Stipulation of Settlement, and any other document in the Action are only incomplete summaries thereof. The entire court file of the Action may be examined in the office of the Clerk of the Circuit Court of Cook County, Illinois, Richard J. Daley Center, Room 802, Chicago, Illinois. The file may be examined and the documents therein may be copied during the regular business hours of that office.

Contact With Class Counsel And The Court

Please do not contact the Court or the Clerk of the Court for any other information. If there is any additional information you may need, please examine the web site at www.talmanclassaction.com, write to Talman Bank Securities Litigation c/o The Garden City Group, Inc., P.O. Box 9165, Dublin, OH 43017-4165, or call (866) 215-8466 and leave a message on the voice mail system, together with your telephone number, for a response.

Dated: October 3, 2007

BY ORDER OF THE CIRCUIT COURT OF
COOK COUNTY, JUDGE JAMES R. EPSTEIN

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