

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

JAMES J. MORROW, PATRICIA MORROW, )  
and MORRIS WEISER, individually and as )  
class representative, )

Plaintiffs, )

v. )

No. 96 CH 11208

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, )

Judge Aaron Jaffe

Defendants. )

**NOTICE OF PENDENCY OF CLASS ACTION**

Notice is hereby given that five of the six counts of the above identified action ("Amended Complaint") have been certified by the Honorable Aaron Jaffe, Judge of the Circuit Court of Cook County, State of Illinois, to proceed as a class action, pursuant to Sections 2-801 and 2-802 of the Illinois Code of Civil Procedure. The certified class has been defined as follows:

All persons, other than named defendants, who owned 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.

The Counts of the Amended Complaint that have been certified to proceed as a class action are Counts I, III, IV, which are asserted against all defendants except Salomon Brothers, Inc., and Counts V and VI, which are asserted only against Salomon Brothers, Inc. A copy of the Amended Complaint is on file in the office of the Clerk of the Court, and it is only briefly summarized hereafter.

### Nature of the Case

The plaintiff class seeks to recover its alleged losses and damages arising from the defendants' alleged breaches of fiduciary duty, negligence and constructive fraud in connection with the ABN-Talman merger. The merger was forced on Talman by the federal government, following the enactment of the savings and loan bailout act (known by its acronym "FIRREA"). Among other things, FIRREA abrogated an asset called supervisory goodwill, which many savings and loans had been using to meet their capital requirements. As a result, Talman lost hundreds of millions of dollars in capital, and was rendered insolvent.

Plaintiffs allege (and must prove) that the government's action gave rise to a claim—called a goodwill claim—for the injury caused to Talman and its shareholders by the abrogation of Talman's supervisory goodwill. Plaintiffs further allege (and must prove) that defendants nevertheless effectuated the merger without attempting to preserve Talman's goodwill claim for the benefit of Talman's shareholders, and without disclosing the existence of the claim to the shareholders or the fact that the claim would pass to ABN as a result of the proposed merger for no additional consideration. Plaintiffs also allege (and must prove) that a few months after the merger, an ABN subsidiary, now led by certain prior Talman officers-directors/defendants, caused Talman's goodwill claim to be filed for the benefit of ABN and its subsidiary, and not the prior Talman shareholders, who actually suffered the injury. Still further, plaintiffs allege (and must prove) that for ABN and its subsidiary, the goodwill claim was a complete windfall: ABN had already benefited from the government's wrongdoing by obtaining Talman's business at a fire sale price, and in the process ABN did not pay any extra value whatsoever to acquire Talman's unique and huge goodwill claim.

All of the defendants vigorously deny any wrongdoing, and specifically deny the substantive allegations of the Amended Complaint.

### Status of the Litigation

This action is in the discovery phase, which is being actively conducted by the parties. The class is likely to seek to further amend the Complaint upon completion of discovery to include additional information learned to date. No trial date has been set. All defendants have filed motions for summary judgment, which are in the process of being briefed, and thus have not been ruled on.

### The Representative Plaintiff

Pursuant to Illinois Code of Civil Procedure, section 2-801 and 2-802, the Court has certified Morris Weiser as the representative plaintiff for the class. In so doing, the Court has concluded that Mr. Weiser, as a former Talman shareholder, will fairly and adequately protect the interests of the class.

### Class Counsel

The Court has approved class counsel in this matter, as follows: Bruce S. Sperling, Eugene Frett, and the law firm of Sperling & Slater, P.C., 55 West Monroe Street, Chicago, Illinois 60603; William R. Quinlan, Caesar A. Tabet and the law firm of Quinlan & Crisham, Ltd., 30 North LaSalle Street, Chicago, Illinois 60602; and Martin J. Healy, Jr. and the law firm of Martin J. Healy, Jr. & Associates, 111 West Washington Street, Chicago, Illinois 60602. Sperling & Slater and Quinlan & Crisham have agreed to advance the costs of the litigation, and they have been doing so.

Mr. Weiser has retained Bruce Sperling, Eugene Frett and the firm of Sperling & Slater to represent him in this matter, pursuant to a written fee agreement, dated October 25, 1996. The agreement provides that Sperling & Slater is to work on a strictly contingent fee basis, and is to receive 25% of whatever it recovers for Mr. Weiser. Their fees as class counsel will be subject to Court review and approval if and when any recovery is accomplished. They expect to request 25% of whatever is recovered for the class as an appropriate fee for class counsel, to be divided as set forth below.

In addition to the class representative, plaintiff Weiser, James and Patricia Morrow are also named plaintiffs in this action. Mr. and Mrs. Morrow retained William Quinlan, Caesar Tabet and the firm of Quinlan & Crisham to represent them in this action, pursuant to a written fee agreement, dated January 6, 1999. The agreement provides that Quinlan & Crisham is to work on a strictly contingent fee basis, and is to received 25% of whatever it recovers for the Morrows. The Morrows have also retained Martin Healy, Jr. and the firm of Martin J. Healy, Jr. & Associates to represent them in this matter. Mr. Healy does not have a separate fee agreement, and is to be compensated by Quinlan & Crisham for his efforts. Their fees as class counsel will be subject to Court review and approval if and when any recovery is accomplished. They expect to request 25% of whatever is recovered for the class as an appropriate fee for class counsel, to be divided as set forth below.

Sperling & Slater and Quinlan & Crisham have agreed to share the expenses that have to be advanced to support the litigation on a 50/50 basis, and they have been doing so. Sperling & Slater and Quinlan & Crisham also have agreed to share any fees they may recover as class counsel on a 50/50 basis, subject to Court approval. Further, counsel have agreed that any fees to be paid to Martin J. Healy, Jr. & Associates as class counsel shall only be paid from the portion of any such fees recovered by Quinlan & Crisham, subject to Court approval.

### Your Status As A Class Member

If you are included in the defined class, as set forth above, you are a member of the class unless you opt out in accordance with the procedure set forth below. As a class member your rights will be represented by class counsel at no expense to you except for your pro-rata share of the contingent award counsel will receive, as approved by the Court, if and when any recovery is

achieved for the class. In addition, you will be bound by a judgment whether favorable or not, and by any settlement of this litigation that is approved by the Court. You may also remain a class member and retain additional counsel to represent you at your own additional expense.

#### Right to be Excluded

You may request to be excluded from the class, in which event your rights will not be pursued in this action, you will not be bound by any judgment or settlement, and you will not share in any recovery. If you decide to request exclusion from the class, you must do so in writing by submitting a statement identifying yourself and your address, and requesting exclusion, postmarked on or before November 13, 1999, and addressed to Class Counsel, Talman Litigation, P.O. Box 0812, Chicago, Illinois 60690-0812.

#### Examination of Papers

The foregoing references to the proceedings, pleadings and any other document in the present case are only incomplete summaries thereof. The entire court file of the case may be examined in the office of the Clerk of the Circuit Court of Cook County, Illinois, Richard J. Daley Center, 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

Do not contact the Court (or Judge) or the Clerk of the Court for any other information. If there is any additional information you may need, write Class Counsel, Talman Litigation, P.O. Box 0812, Chicago, Illinois 60690-0812 or call class counsel at 888-544-8236, and leave a message on the voice mail system, together with your telephone number for a response.

Dated: September 29, 1999

By Order of the Circuit Court of Cook County, Illinois

Judge Aaron Jaffe