

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

RUTH LENTZ, Individually and On Behalf of All Others Similarly Situated,	X	
	:	Civ. Action No. 3:05-CV-0100-D
	:	(Consolidated with
	:	Civil Action No. 3:05-CV-0142-D
<i>Plaintiff,</i>	:	Civil Action No. 3:05-CV-0157-D
vs.	:	Civil Action No. 3:05-CV-0184-D
	:	Civil Action No. 3:05-CV-0203-D
CITADEL SECURITY SOFTWARE INC., et al.,	:	Civil Action No. 3:05-CV-0297-D
	:	and
	:	Civil Action No. 3:05-CV-0488-D)
<i>Defendants.</i>	:	
	X	
HANS J. BAIER, derivatively on behalf of Nominal Defendant, CITADEL SECURITY SOFTWARE, INC.,	:	
	:	
	:	
<i>Plaintiff,</i>	:	
vs.	:	
	:	
STEVEN B. SOLOMON, RICHARD CONNELLY, CHRIS A. ECONOMOU,	:	Civil Action No 3:05-CV-0846-D
	:	
<i>Defendants.</i>	:	
And	:	
	:	
CITADEL SECURITY SOFTWARE, INC.	:	
	:	
<i>Nominal Defendant</i>	:	
	X	

**NOTICE OF PROPOSED SETTLEMENT OF  
CLASS ACTION AND DERIVATIVE ACTION,  
MOTION FOR ATTORNEYS' FEES, AND FAIRNESS HEARINGS**

**IF YOU BOUGHT SHARES OF CITADEL SECURITY SOFTWARE, INC.  
("CITADEL" OR THE "COMPANY") COMMON STOCK DURING THE PERIOD  
FROM FEBRUARY 12, 2004 THROUGH DECEMBER 16, 2004, INCLUSIVE,  
EXCLUDING DEFENDANTS, OFFICERS AND DIRECTORS OF CITADEL AT ALL  
RELEVANT TIMES, MEMBERS OF THEIR IMMEDIATE FAMILIES, AND THEIR  
LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS, OR ASSIGNS AND ANY  
ENTITY IN WHICH DEFENDANTS HAVE OR HAD A CONTROLLING INTEREST  
(THE "SETTLEMENT CLASS") YOU COULD GET A PAYMENT FROM A CLASS  
ACTION SETTLEMENT.**

**FURTHERMORE, IF YOU ARE A CURRENT HOLDER OF CITADEL  
COMMON STOCK, YOUR RIGHTS AS A SHAREHOLDER WILL BE AFFECTED BY  
THE SETTLEMENT OF THE DERIVATIVE ACTION.  
A FEDERAL COURT AUTHORIZED THIS NOTICE. THIS IS NOT A  
SOLICITATION FROM A LAWYER.**

- The Settlement will provide a \$1,750,000 Settlement Fund for the benefit of investors who bought shares of Citadel's common stock between February 12, 2004 and December 16, 2004, inclusive (the "Class Period"), and suffered a loss.
- The Settlement resolves the above captioned cases *Ruth Lentz v. Citadel Security Software, Inc., et al.*, Civil Action No. 3-05-CV-0100-D (the "Class Action"), and *Hans J. Baier v. Steven B. Solomon, et al.*, Civil Action No. 3:05-CV-0846-D (the "Derivative Action").
- Your legal rights are affected whether you act, or don't act. Read this Notice carefully.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM</b>	The only way to get a payment.
<b>EXCLUDE YOURSELF</b>	You get no payment. This is the only option that allows you to ever be part of any other lawsuit against Citadel, or the Individual Defendants about the legal claims in the Class Action. You cannot exclude yourself from the Derivative Action.
<b>OBJECT</b>	Write to the Court about why you don't like the Settlement and Plan of Allocation for the Class Action, the Settlement of the Derivative Action, and/or the request for Attorney's Fees and Expenses.
<b>GO TO A HEARING</b>	Ask to speak in Court about the fairness of the Settlement and Plan of Allocation for the Class Action, the Settlement of the Derivative Action, and/or the request for Attorney's Fees and Expenses.
<b>DO NOTHING</b>	You get no payment and you give up any rights.

- These rights and options – and the deadlines to exercise them – are explained in this Notice.
- The Court in charge of these cases still has to decide whether to approve the Settlement in the Class and Derivative Actions. Payments will be made if the Court approves the Settlement of the Actions and after appeals, if any, are resolved. Please be patient.

### **NATURE OF THE CASES**

This Notice concerns the proposed Settlement of both the Class and Derivative Actions. The Class Action was brought on behalf of a Class of investors who purchased Citadel common stock between February 12, 2004 and December 16, 2004, inclusive (the "Class Period"). The Derivative Action, which concerns issues similar to the Class Action, is not a Class Action, but is an action brought by shareholders on behalf of the Company.

### **STATEMENT OF PLAINTIFFS' RECOVERY**

Pursuant to the Settlement described herein, a fund consisting of \$1,750,000 in cash (the "Settlement Fund"), has been established for the benefit of the Class members in the Class Action. Plaintiffs estimate that there were approximately 16.5 million shares of Citadel common stock traded during the Class Period which may have resulted in damages to the purchasers. Plaintiffs estimate that the average recovery per damaged share of Citadel common stock under the Settlement is \$0.11 per damaged share before deduction of Court-awarded attorneys' fees and expenses.

As the Derivative Action is brought on behalf of the Company itself, holders of Citadel common stock will not receive any direct monetary compensation as a result of the Settlement of the Derivative Action. The Derivative Action, which allegations arose from the same issues which underlay the Class Action, was settled to avoid unnecessary distraction to the Company's management and subsequent harm to the Company.

### **STATEMENT OF POTENTIAL OUTCOME OF CASES**

The Parties disagreed on both liability and damages and do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to have prevailed on each claim alleged. Defendants deny that they are liable to Plaintiffs or the Class and deny that Plaintiffs or the Class have suffered any damages.

Furthermore, the Parties disagree as to the liability that Defendants in the Derivative Action have to the Company. Defendants in the Derivative Action deny that they have any liability to the Company.

### **STATEMENT OF ATTORNEYS' FEES AND COSTS SOUGHT**

Plaintiffs' Counsel are requesting that the Court, in the Class Action, award attorneys' fees not to exceed one-third (33 $\frac{1}{3}$ %) of the Settlement Fund, and authorize reimbursement of expenses necessarily incurred in bringing the Actions, exclusive of settlement administration costs, incurred in connection with the prosecution of the Class and Derivative Actions in the approximate amount of \$85,000. The requested fees and expenses would amount to an average of \$0.04 per damaged share in total for fees and expenses. If the Settlement is approved, the costs of administering the Settlement will also be paid from the Settlement Fund. Plaintiffs' Counsel has expended considerable time and effort in the prosecution of these litigations on a contingent fee basis, and has advanced the expenses of these litigations, in the expectation that if they were successful in obtaining a recovery for the Class they would be paid from such recovery. If Plaintiffs' Counsel had not obtained any recovery, they would not have received any compensation for their services. In these types of litigations it is customary for Plaintiffs' Counsel to be awarded a percentage of the common fund recovery as their attorneys' fees.

### **REASONS FOR THE SETTLEMENT**

Plaintiffs' Counsel, in the Class Action, captioned *Ruth Lentz v. Citadel Security Software, Inc., et al.*, Civil Action No. 3-05-CV-0100-D, pending in the United States District Court for the Northern District of Texas, Dallas Division, have conducted an investigation relating to the claims and the underlying events and transactions alleged in the complaint in the Class Action ("Complaint"). Plaintiffs' Counsel has analyzed the evidence available in the case and has researched the applicable law with respect to the claims of Plaintiffs and the Class against Defendants and the potential defenses thereto. The Class, by its counsel, has conducted discussions and arms'-length negotiations with counsel for Defendants, with respect to a compromise and settlement of the Class Action with a view to settling the issues in dispute and achieving the best relief possible consistent with the interests of the Class. Based upon Plaintiffs' Counsel's investigation, consultation with experts, and negotiations with Defendants, Plaintiffs' Counsel has concluded that the terms and conditions of this Settlement are fair, reasonable, and adequate to Plaintiffs and the Class, and in their best interests, and has agreed to settle the claims raised in the Class Action pursuant to the terms and provisions of the Stipulation of Settlement ("Stipulation") dated September 19, 2006 and filed with this Court, after considering: (a) the substantial benefit to the Class that will be received as a result of this Settlement, compared to the distractions, expense and uncertainty of further litigation; (b) the Company's ability to fund a settlement, if the litigation continues to proceed; and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of this Stipulation, and have concluded that the Settlement is fair, reasonable, adequate, and in the best interests of the Class and the Company.

Furthermore, Plaintiffs' Counsel in the Derivative Action, captioned *Hans J. Baier v. Steven B. Solomon, et al.*, 3:05-CV-0846-D, pending in the United States District Court for the Northern District of Texas, Dallas Division, has conducted an investigation relating to the claims and the underlying events and transactions alleged in the complaint for the Derivative Action. Plaintiffs' Counsel in the Derivative Action has considered the substantial benefit to the Company that will be received as a result of this Settlement in light of the harm that the Company would suffer if the Derivative Action continued to proceed, and has concluded that the Settlement is fair, reasonable, adequate, and in the best interests of the Company.

Plaintiff in another derivative action *Harry Brantley v. Steven B. Solomon, et al.*, Cause No. 05-03117-L, pending in the 193rd State District Court in Dallas County, Texas (the "State Derivative Suit"), which contains claims virtually identical, in sum and substance, to those in the Derivative Action, has agreed to dismiss that action in conjunction with the Settlement of the Class Action and Derivative Action described above.

### **DEFENDANTS' LIABILITY DENIAL**

Defendants deny any wrongdoing, fault, liability or damage to Plaintiffs or the Class, deny that they engaged in any wrongdoing or acted improperly in any way, and deny any liability in the Class Action and/or Derivative Action arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged in the Actions. Defendants also deny the allegations that the Plaintiffs or the Class members have suffered damages, that the prices of Citadel common stock were artificially inflated by the alleged misrepresentations or otherwise, or that the Plaintiffs or any Class members were harmed by the conduct alleged in the Actions. Defendants further believe that they acted properly at all times and that the Actions are all without merit.

In view of the uncertainty and risk of the outcome of any litigation (especially complex securities litigation), the difficulties and substantial distractions, burdens, expense and length of time necessary to defend the Actions, and to eliminate the distractions, burdens and expense of continued litigation, Defendants have agreed to the Settlement and to put this litigation to rest, finally and forever.

## **BASIC INFORMATION**

### **1. Why did I get this Notice package?**

You received this Notice package because 1) you or someone in your family may have purchased shares of Citadel common stock between February 12, 2004 and December 16, 2004, inclusive, or 2) you or someone in your family are a current shareholder of Citadel common stock.

The Court directed that this Notice be sent to you because you have a right to know about a proposed Settlement of the Class and Derivative Actions, and about all of your options, before the Court decides whether to approve the proposed Settlement. If the Court approves it and after objections and appeals, if any, are resolved, an administrator appointed by the Court will make the payments that the Settlement allows.

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

This Notice package is not an expression of any opinion by the Court about the merits of any of the claims or defenses asserted by any party in the Class or Derivative Actions or the fairness or adequacy of the proposed Settlement.

### **2. What are these lawsuits about?**

The Complaint in the Class Action alleges as follows: Citadel and Individual Defendants Steven B. Solomon and Richard Connelly made materially false and misleading statements in financial statements and press releases concerning Citadel's financial results for 2003 through 2004. Specifically, the Complaint alleges that starting on February 12, 2004 and extending throughout the Class Period, Defendants publicly announced in press releases and SEC filings that the Company "expects to report revenues for fiscal 2004 of between \$18,500,000 and \$21,000,000," as compared to fiscal 2003 revenue of \$5,856,296, a projected increase of between 216% to 259%. The Complaint also challenges the Company's reporting of deferred revenue as of December 31, 2003 and during the Class Period. The Complaint alleges that such statements were materially false and misleading when made, and were made without a reasonable basis, because Defendants knew both before and throughout the Class Period that there was no revenue forecasting system in place at Citadel, there was a dry sales pipeline, and there were long lead times from sales through implementation so that sales later in the year of the Company's major product, Hercules, could not be recognized as revenue.

The complaint in the Derivative Action alleges against certain of Citadel's officers and directors breaches of fiduciary duties, abuse of control, gross mismanagement, waste of corporate assets, and unjust enrichment that occurred relating to the allegedly false and misleading statements, described above, that were made to shareholders.

### **3. Why is the litigation a class action?**

In the Class Action, one or more people called Lead Plaintiffs sue on behalf of people or entities that purchased Citadel common stock during the Class Period who have similar claims. All these people are a Class or Class members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. This case was assigned to United States District Judge Sidney A. Fitzwater.

### **4. Why is there a Settlement?**

The Court did not ultimately decide in favor of either the Class or Defendants. Instead, both sides agreed to a Settlement. That way, they avoid the risks, cost and delay of a trial, and the people affected will get compensation. The Class and its attorneys think the Settlement is in the best interest of all Class members.

Furthermore, Plaintiffs' counsel in the Class and Derivative Actions considered the substantial benefit to the Company that will be received as a result of this Settlement in light of the harm that the Company would suffer if the Class Action or the Derivative Action continue, and have concluded that the Settlement is fair, reasonable, adequate, and in the best interests of the Company.

Accordingly, the parties in the Class Action and the Derivative Action have entered into a global settlement. Under this Settlement, a Settlement Fund was established to provide compensation to members of the Class. The Settlement of both the Class and Derivative Actions is further discussed below.

### **WHO WILL BENEFIT FROM THE SETTLEMENT OF THE CLASS ACTION**

To see if you will get money from this Settlement of the Class Action, you first have to decide if you are a Class member.

#### **5. How do I know if I am part of the Settlement?**

Under the Settlement, the persons who are Class members are: All persons and entities who purchased shares of Citadel common stock from February 12, 2004 through December 16, 2004, inclusive.

#### **6. Are there exceptions to being included?**

People who are automatically excluded from the Class are Defendants, officers and directors of Citadel, members of their immediate families, and the legal representatives, heirs, successors, or assigns and any entity in which Defendants have or had a controlling interest.

If one of your mutual funds own shares of Citadel common stock, that alone does not make you a Class member. You are a Class member only if you purchased shares of Citadel common stock individually during the period between February 12, 2004 and December 16, 2004. Contact your broker to see if you have or held Citadel common stock.

If you sold Citadel common stock between February 12, 2004 and December 16, 2004, that alone does not make you a Class member. You are a Class member only if you bought shares during the Class Period.

#### **7. I'm still not sure if I am included.**

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator by telephone at (866) 274-4404, by fax at (610) 364-2698, by accessing [www.strategicclaims.net](http://www.strategicclaims.net), or you can fill out and return the claim form described in question 10, to see if you qualify.

### **THE SETTLEMENT BENEFITS— WHAT YOU GET FROM SETTLEMENT OF THE CLASS ACTION**

#### **8. What does the Settlement of the Class Action provide?**

Defendants have agreed to create a Settlement Fund of \$1,750,000, for the benefit of Class members. The balance of the fund, after deduction of Court awarded attorneys' fees and reimbursement of expenses and Settlement administration costs will be divided among all Settlement Class Members who send in valid Proof of Claim forms.

#### **9. How much will my payment be?**

Your share of the Settlement Fund will depend on the number of valid Proof of Claim forms that Class members send in, how many shares of Citadel common stock you bought, and when you bought and sold them. The proposed Plan of Allocation is set forth following question 27 of this Notice.

By reading the section of this Notice entitled "Understanding Your Payment," you can calculate what is called your Recognized Claim. It's unlikely that you will get a payment for all of your Recognized Claim. After all Class members have sent in their claim forms, the payment you get will reflect your Recognized Claim in relation to the total of everyone's Recognized Claims.

Generally, those who bought more shares and have a larger Recognized Claim will get more money, and those who bought fewer shares and have a smaller Recognized Claim will get less.

The number of claimants who send in claims varies widely from case to case. If less than 100% of the Class sends in a claim form, the amount that other claimants receive will increase.

## **HOW YOU GET A PAYMENT—SUBMITTING A CLAIM FORM**

### **10. How can I get a payment?**

To qualify for a payment in the Class Action, you must send in a Proof of Claim form. A blank Proof of Claim form accompanies this Notice. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it postmarked no later than January 4, 2007.

### **11. When would I get my payment?**

The Court will hold hearings on December 15, 2006, to decide whether to approve the Settlement. If the Court approves the Settlement after that, there may be appeals. It's always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed. Please be patient.

### **12. What am I giving up to get a payment or stay in the Class?**

Unless you exclude yourself, you are staying in the Actions, and that means that, if the Settlement is approved, you will release all "Settled Claims" (as defined below) against the "Defendants" (as defined below) and the "Released Parties" (as defined below).

"Settled Claims" means any and all claims, known or Unknown (as defined below), accrued or not accrued, at law or in equity, which have been or could have been asserted individually and/or derivatively by any Plaintiff and/or any member of the Class in the Class Action, Derivative Action or the State Derivative Suit against Defendants (as defined below) or any Released Parties (as defined below) which relate to, arise out of or are based upon: (a) any purchase or sale of Citadel common stock during the Class Period and/or (b) the facts, matters, transactions or circumstances alleged in the Class Action, Derivative Action and/or State Derivative Suit (including, without limitation, claims for negligence, gross negligence, abuse of control, waste of corporate assets, unjust enrichment, breach of fiduciary duty, breach of duty of care and/or breach of duty of loyalty, fraud, or violations of any state or federal common law, statutes, rules or regulations).

"Unknown Claims" means any and all Settled Claims which any Plaintiff and/or member of the Class do not know or suspect to exist in his/her/its favor at the time of the release of Defendants and the Released of Parties, which if known by him/her/it might have affected his/her/its decision with respect to the Settlement. With respect to any and all Settled Claims, each Plaintiff shall expressly and each member of the Class shall be deemed to have, and by operation of the Order shall have, expressly waived any and all provisions, rights and benefits conferred by law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW  
OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF  
KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Plaintiffs acknowledge and members of the Class, by operation of law shall be deemed to acknowledge, that the inclusion of "Unknown Claims" in the definition of Settled Claims was separately bargained for and was a key element of the Settlement. Plaintiffs and/or members of the Class may hereafter discover facts in addition to or different from those which he/she/it now knows or believes to be true with respect to the subject matter of the Settled Claims, but Plaintiffs intend and members of the Class are deemed to intend, the release of the Settled Claims to be effective without regard to the subsequent discovery or existence of such different or additional facts and it extends to Unknown Claims. The release of the Settled Claims is intended to be a full and binding release of all Settled Claims, including Unknown Claims, and shall be construed broadly to effect that purpose.

"Defendants" means Citadel, Steven B. Solomon, Richard Connelly, Chris A. Economou, John Leide and Joe M. Allbaugh.

"Released Parties" means Defendants in these Actions as well as Defendants' present and former officers, directors, agents, employees, consultants, attorneys, accountants, auditors, underwriters, partners, insurers, reinsurers, personal representatives, spouses, issues, heirs, executors, administrators, predecessors,

successors, assigns, parent corporations, subsidiaries, divisions, affiliates, trusts, or any other individual or entity in which any Defendant has a controlling interest or which is affiliated with any of the Defendants or any of the parties listed above, and members of the immediate families of the Individual Defendants.

If you do not exclude yourself, all of the Court's orders will apply to you and legally bind you.

### **EXCLUDING YOURSELF FROM THE SETTLEMENT OF THE CLASS ACTION**

If you are a Class member and you don't want a payment from this Settlement of the Class Action, but you want to keep the right to sue or continue to sue any of the Defendants, on your own, about the legal issues in the Class Action, then you must take steps to get out of the Settlement. This is called excluding yourself — or is sometimes referred to as “opting out” of the Settlement Class.

Because derivative actions are not class actions and do not concern a class, you cannot exclude yourself from the Derivative Action. However, if you believe the Settlement is unfair, you can object to the settlement of the Derivative Action in the manner discussed below.

#### **13. How do I get out of the Settlement?**

If you are a Class member, to exclude yourself from the Settlement, you must send a letter by mail stating that you “request exclusion from the Citadel Class Action.” Your letter should include the date(s), price(s), and number(s) of shares of all purchases and sales of Citadel common stock during the Class Period. In addition, be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request postmarked no later than November 20, 2006 to the Claims Administrator at:

Citadel Securities Litigation Exclusions  
c/o Strategic Claims Services  
Concord Plaza  
2710 Concord Road, Suite 5  
Aston, Pennsylvania 19014  
[www.strategicclaims.net](http://www.strategicclaims.net)

You cannot exclude yourself by phone or by e-mail. If you ask to be excluded, you will not get any Settlement payment, and you cannot object to the Settlement of the Class Action. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue (or continue to sue) any of the Defendants in the future.

#### **14. If I don't exclude myself, can I sue Defendants for the same thing later?**

No. Unless you exclude yourself, you give up any rights to sue Defendants for the claims that this Settlement resolves. If you have a pending lawsuit speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is November 20, 2006.

#### **15. If I exclude myself, can I get money from this Settlement?**

No. If you exclude yourself, do not send in a Proof of Claim form to ask for any money. But, you may sue, continue to sue, or be part of a different lawsuit against Defendants.

### **THE LAWYERS REPRESENTING YOU**

#### **16. Do I have a lawyer in the Class Action?**

The Court ordered that the law firms of Murray, Frank & Sailer LLP and Labaton Sucharow & Rudoff LLP, both of New York, NY, will represent you and the other Class Members in the Class Action. These lawyers are called Plaintiffs' Co-Lead Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

## 17. How will the lawyers be paid?

Plaintiffs' Counsel are asking the Court to award attorneys' fees from the Settlement Fund in an amount not greater than one-third (33 1/3%) of the Settlement Fund and for reimbursement of their expenses up to a maximum amount of \$85,000. Plaintiffs' Counsel, without further notice to the Class, may subsequently apply to the Court for fees and expenses incurred in connection with administering and distributing the Settlement proceeds to the members of the Class and any proceedings subsequent to the Settlement Fairness Hearings.

## SETTLEMENT OF THE DERIVATIVE ACTION

## 18. What is a derivative action?

A derivative action is an action brought on behalf of the Company, rather than on behalf of shareholders. The purpose of such an action is to provide a benefit to the Company, rather than provide a direct benefit to stockholders in the form of monetary recovery.

Only a current holder of the Company's common stock has standing to bring a derivative action.

## 19. How is the Derivative Action being settled?

The Settlement provides that the Derivative Action will be dismissed with prejudice as set forth in the Stipulation of Settlement dated September 19, 2006 and filed with the Court. After a thorough investigation, Plaintiff's counsel in the Derivative Action has determined that dismissal is in the best interests of the Company, given the substantial benefit to the Company that will be received as a result of the dismissal of the Derivative Action and the harm that the Company would suffer as a result of continued litigation.

As the purpose of a derivative action is to provide a benefit to the Company, rather than Stockholders, holders of Citadel common stock will not receive any direct monetary compensation as a result of the Settlement of the Derivative Action.

## OBJECTING TO THE SETTLEMENT

If you believe that any aspect of the Settlement is objectionable, you can tell the Court that you don't agree with any part of the Settlement, the Plan of Allocation or the Motion for Attorneys' Fees.

## 20. How do I tell the Court that I don't like the Settlement of the Class Action or Derivative Action?

If you are a Class member, you can object to the Settlement, the Plan of Allocation, or the Motion for Attorneys' Fees in the Class Action. You can give reasons why you think the Court should not approve the Settlement of the Class Action. The Court will consider your views. To object, you must send a letter saying that you are a Class Member and stating what you believe is objectionable about the proposed Settlement, the Plan of Allocation and/or the Motion for Attorneys' Fees in *Lentz v. Citadel Security Software, Inc.*

If you are a current holder of Citadel common stock, you can object to the Settlement of the Derivative Action. You can give reasons why you think the Court should not approve the Settlement of the Derivative Action. The Court will consider your views. To object, you must send a letter saying that you are a current shareholder and that you object to the proposed Settlement in *Baier v. Steven B. Solomon, et al.* Only shareholders who still own shares in Citadel have standing to object to the Settlement of the Derivative Action.

If you object to the Settlement of the Class Action, be sure to include your name, address, telephone number, your signature, and the reasons you object. Mail the objection to each of the following addresses post-marked no later than November 20, 2006:

COURT	CO-LEAD COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court Northern District of Texas 1100 Commerce Room 1452 Dallas, TX 75242	Gregory Linkh, Esq. Murray, Frank & Sailer LLP 275 Madison Avenue, Suite 801 New York, NY 10016  Joseph Sternberg, Esq. Labaton Sucharow & Rudoff LLP 100 Park Avenue New York, NY 10017	Noel M. Hensley, Esq. Haynes and Boone LLP 901 Main Street Suite 3100 Dallas, TX 75202

If you object to the Settlement of the Derivative Action, be sure to include your name, address, telephone number, your signature, and the reasons you object. Mail the objection to each of the following addresses postmarked no later than November 20, 2006:

COURT	LEAD COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court Northern District of Texas 1100 Commerce Room 1452 Dallas, TX 75242	William B. Federman, Esq. Federman & Sherwood 120 N. Robinson, Ste. 2720 Oklahoma City, Oklahoma 73102	Noel M. Hensley, Esq. Haynes and Boone LLP 901 Main Street Suite 3100 Dallas, TX 75202

**21. What's the difference between objecting and excluding?**

Objecting is simply telling the Court that you don't like something about the Settlement, the Plan of Allocation, or the Motion for Attorneys' Fees. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the Class Action no longer affects you. While you can exclude yourself from the Class Action, you cannot exclude yourself from the Derivative Action because there is no class for the Derivative Action; it is not brought on behalf of a class or group of individuals.

**THE COURT'S FAIRNESS HEARINGS**

The Court will hold hearings to decide whether to approve the Settlement, the Plan of Allocation, and the Motion for Attorneys' Fees. You may attend and you may ask to speak, but you don't have to.

**22. When and where will the Court decide whether to approve the Settlement, the Plan of Allocation and the Motion for Attorneys' Fees?**

The Court will hold Fairness Hearings on December 15, 2006 at 11:00, a.m., at the United States District Court for the Northern District of Texas, 1100 Commerce, Courtroom 1516, Dallas, TX 75242. At the hearing concerning the Class Action, the Court will consider : (1) whether the terms of the Settlement, which among other things, provides for creation of a Settlement Fund in the amount of \$1,750,000, should be approved as fair, reasonable and adequate; (2) whether the proposed plan to distribute the Settlement Fund to the Class (the "Plan of Allocation") is fair and reasonable; (3) whether the Class Action should be dismissed with prejudice; and (4) whether the application of Plaintiffs' Counsel in the Class Action for an award of attorneys' fees and expenses should be approved. If there are objections, the Court will consider them. At the hearing concerning the Derivative Action, the Court will consider whether the Settlement of the Derivative Action, whereby the case will be dismissed with prejudice as set forth in the Stipulation, is in the best interests of the Company, given the substantial benefit to the Company that will be received as a result of the dismissal of the Derivative Action in light of the harm that the Company would suffer as a result of continued litigation.

The Court will listen to people who have asked to speak at the hearings. The Court may also decide how much to pay to Plaintiffs' Counsel. At or after the hearings, the Court will decide whether to approve the Settlements in the Class and Derivative Actions. We do not know how long these decisions will take.

**23. Do I have to come to the hearings?**

No. Plaintiffs' Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

**24. May I speak at the hearings?**

You may ask the Court for permission to speak at the Fairness Hearings. To do so, you must send a letter saying that it is your "Notice of Intention to Appear in *Lentz v. Citadel Security Software, Inc.*" (the Class Action) or "Notice of Intention to Appear in *Baier v. Steven B. Solomon, et al.*" (the Derivative Action). Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear

must be postmarked no later than November 20, 2006, and be sent to the Clerk of the Court, Plaintiffs' Counsel, and Defense Counsel, at the addresses identified in this Notice. You cannot speak at the hearings if you excluded yourself.

## **IF YOU DO NOTHING**

### **25. What happens if I do nothing at all?**

If you are a Class member and if you do nothing, you'll get no money from the Settlement of the Class Action. If you currently have your own lawsuit against the Defendants or the Released Parties or if you intend to start one regarding the same issues as the Class or Derivative Actions, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants about the legal issues in either the Class Action or the Derivative Action, ever again.

## **GETTING MORE INFORMATION**

### **26. Are there more details about the Settlement?**

This Notice summarizes the proposed Settlement. More details are in a Stipulation of Settlement, dated September 19, 2006 (the "Stipulation"). You can get a copy of the Stipulation by writing to Gregory Linkh, Murray, Frank & Sailer LLP, 275 Madison Avenue, Suite 801, New York, NY 10016; or Joseph Sternberg, Labaton Sucharow & Rudoff LLP, 100 Park Avenue, New York, NY 10017. The Stipulation and all exhibits thereto are also available at [www.murrayfrank.com](http://www.murrayfrank.com).

For further information, you also can contact the Claims Administrator by phone at (866) 274-4404 toll free; by fax at (610) 364-2698; by mail at Citadel Securities Litigation, c/o Strategic Claims Services, Concord Plaza, 2710 Concord Road, Suite 5, Aston, Pennsylvania 19014, or visit the website [www.strategicclaims.net](http://www.strategicclaims.net), where you will find answers to common questions about the Settlement, as well as the Notice and the Proof of Claim and Release form.

### **27. How do I get more information?**

For even more detailed information concerning the matters involved in this Class Action or Derivative Action, you may review the pleadings, the Stipulation, the Orders entered by the Court and the other papers filed in these cases, which may be inspected at the Office of the Clerk of the United States District Court for the Northern District of Texas, 1100 Commerce, Room 1452, Dallas, TX 75242, during regular business hours.

## **UNDERSTANDING YOUR PAYMENT PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS**

The \$1,750,000 Settlement Fund, and the interest earned thereon, shall be the Gross Settlement Fund for Class Members. The Gross Settlement Fund, less all taxes, approved costs, attorneys' fees and expenses (the "Net Settlement Fund") shall be distributed to members of the Class who submit acceptable Proofs of Claim ("Authorized Claimants").

The Claims Administrator will determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount of what a Class member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

Recognized Claims will be calculated for purposes of the Settlement as follows:

1. For each share of common stock purchased during the Class Period and held at the end of the Class Period, the "Eligible Amount" shall be the purchase price, excluding fees and commissions, and other taxes, minus \$2.01 per share.

2. In processing claims, the first-in, first-out basis (“FIFO”) will be applied to both purchases and sales. Under FIFO, each Claimant must provide the number of shares purchased during the Class Period, the date of each such purchase, and the price paid, and the number of shares sold during the Class Period and the date of each such sale, and the price received. Sales of eligible shares will be matched in chronological order against purchases during the Class Period, in which case any gains will be omitted in calculating the Eligible Amount of each Claim.

3. Authorized Claimants will receive a share of the Settlement Fund equal to the proportion that their Eligible Amount bears to the total amount of Eligible Amounts of all Claimants entitled to share in the Settlement Fund.

#### **GENERAL PROVISIONS:**

1. The date of purchase or sale is the “contract” or “trade” date and not the “settlement” date.

2. The date of covering a “short sale” is deemed to be the date of purchase of Citadel shares. The date of a “short sale” is deemed to be the date of sale of Citadel shares. Shares originally sold short prior to the Class Period shall have zero Recognized Claim.

3. In processing claims, the first-in, first-out basis (“FIFO”) will be applied to purchases and sales.

4. Brokerage commissions, fees, and taxes should be excluded in the purchase and sale prices of Citadel shares.

5. Where shares were purchased/sold by reason of having exercised an option, the premium should be incorporated into the price accordingly.

6. Gains will be omitted to determine the net Recognized Claim of each Authorized Claimant.

7. No cash payment will be made on a claim where the potential distribution amount is \$10 or less.

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

9. No person shall have any claim against Plaintiffs’ Counsel, the Claims Administrator or other agent designated by Plaintiffs’ Counsel, or any Defendant or any Defendant’s Counsel based on the distribution made substantially in accordance with the Stipulation and this Plan of Allocation, or further orders of the Court.

10. Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants.

11. Class Members who do not submit acceptable Proofs of Claim will not share in the settlement proceeds. Class Members who do not either submit a request for exclusion or submit an acceptable Proof of Claim will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action.

12. With respect to shares of common stock of Citadel purchased and then sold during the Class Period, the “Recognized Claim” shall be \$0 since the artificial inflation on the date of purchase was the same as the artificial inflation on the date of sale, meaning that any decline in the value of the stock was attributable to something other than the alleged fraud.

#### **SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

If you purchased or acquired Citadel common stock during the period from February 12, 2004 through and including December 16, 2004 for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such stock during such time period, preferably on computer-generated mailing labels or electronically in MS Word or Word Perfect files (label size Avery® #5162) or in an MS Excel data table setting forth (i) title/registration, (ii) street address, (iii) city/state/zip, or, in the alternative (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within seven (7) days mail the Notice and Proof of Claim form directly to the beneficial owners of the common stock referred to herein. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection

with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid after the request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Citadel Securities Litigation  
c/o Strategic Claims Services  
Concord Plaza  
2710 Concord Road, Suite 5  
Aston, Pennsylvania 19014  
[www.strategicclaims.net](http://www.strategicclaims.net)

**INQUIRIES SHOULD NOT BE DIRECTED TO THE CLERK OF THE COURT OR TO THE COURT.**

Dated: September 26, 2006

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Clerk of the Court  
United States District Court  
Northern District of Texas



B. Use Section IV of this form, entitled "Claimant Identification Schedule" to identify yourself and each owner of record, such as your stock broker, if different from the beneficial owner, of Citadel common stock that forms the basis of this claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL OWNER(S), OR THE LEGAL REPRESENTATIVE OF SUCH OWNER(S), OF THE COMMON STOCK UPON WHICH THIS CLAIM IS BASED.

C. All joint owners must sign this claim. Executors, administrators, guardians, conservators, and trustees must complete and sign this claim on behalf of persons represented by them and must identify each beneficial owner or owners for whom they are acting; proof of their authority must accompany this claim and their titles or capacities must be stated.

D. The Social Security (or Taxpayer Identification) number and telephone number of the beneficial owner must be provided.

E. Failure to provide the foregoing information could delay verification or result in the rejection of the claim.

### **III. INSTRUCTIONS FOR SCHEDULE OF TRANSACTIONS**

A. Use Section V of this form, entitled "Schedule of Transactions" to supply all required details of your transactions (purchases and sales) in Citadel common stock that took place during the period from February 12, 2004 through December 16, 2004, inclusive.

B. If you need more space, attach separate, numbered sheets giving all of the required information in substantially the same form. Print your name and Social Security or Taxpayer Identification number at the top of each additional sheet.

C. On the schedules, provide all of the requested information with respect to all of your purchases and sales of Citadel common stock that took place at any time during the Class Period, whether such transactions resulted in a profit or a loss.

D. The failure to report all such transactions may result in the rejection of your claim.

E. List each transaction during the Class Period separately and in the order in which they took place, *by trade date*, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list, as well as the purchase and/or sales price, excluding commissions, taxes, and other fees. If you do not have this information, your broker may be able to help you find it.

F. Citadel common stock acquired or disposed of for any consideration other than, or in addition to, cash must be reported as having been acquired or disposed of.

G. COPIES OF BROKER'S CONFIRMATIONS, BROKER'S ACCOUNT STATEMENTS, OR OTHER ACCEPTABLE DOCUMENTATION OF YOUR TRANSACTIONS IN CITADEL COMMON STOCK MUST BE ATTACHED TO YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS OR SHARES OF STOCK. If you no longer have copies of your broker's confirmations or statements, your broker may be able to get you copies. A complete list of acceptable supporting documentation can be found on the Claims Administrator's website: [www.strategicclaims.net](http://www.strategicclaims.net).

H. Any claims submitted that contain more than 50 transactions during the Class Period are requested to be filed electronically and to provide all the purchase and sale information required in the Schedule of Transactions. For a copy of instructions and parameters concerning such a submission, contact the Claims Administrator: (1) at the website address above, and click on Citadel Securities Litigation; (2) by phone at (866) 274-4004, or (3) by fax at (610) 364-2698.



\_\_\_ G. Trust Claimant: I am a trustee of \_\_\_\_\_, a trust authorized under the laws of \_\_\_\_\_. I am authorized to make this claim on behalf of the trust. The trust is the owner of the shares.

\_\_\_ H. Custodial or Guardian Claimant: I am the custodian or the guardian (circle which) for \_\_\_\_\_ whose address is \_\_\_\_\_.  
(Valid proof of authority must accompany this claim.)

\_\_\_ I. Other: (Specify) \_\_\_\_\_

**V. SCHEDULE OF TRANSACTIONS IN CITADEL COMMON STOCK**

A. State the total number of shares of Citadel common stock owned at the close of trading on February 11, 2004, long or short (must be documented; see III above, Instruction G):

\_\_\_\_\_

B. Separately list each and every purchase of Citadel common stock during the period February 12, 2004 **through** December 16, 2004, inclusive, and provide the following information (*must be documented; see III above, Instruction G*):

<b>Trade Date (list chronologically) Month/Day/Year</b>	<b>Number of Shares Purchased</b>	<b>Total Cost (excluding commissions, fees &amp; taxes)</b>

C. Separately list each and every sale of Citadel common stock during the period February 12, 2004 **through** December 16, 2004, inclusive, and provide the following information (*must be documented; see III above, Instruction G*):

<b>Trade Date (list chronologically) Month/Day/Year</b>	<b>Number of Shares Sold</b>	<b>Net Proceeds (excluding commissions, fees &amp; taxes)</b>

D. State the total number of shares of Citadel common stock you still owned at the close of trading on December 16, 2004, long or short (*must be documented; see III above, Instruction G*):

\_\_\_\_\_

**If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification number at the top of each sheet.**

**YOU MUST ALSO READ AND SIGN THE RELEASE ON PAGE 6.**

**IMPORTANT: FAILURE TO ATTACH SUPPORTING DOCUMENTATION MAY PREVENT YOU FROM RECEIVING ANY DISTRIBUTION UNDER THE SETTLEMENT**

## **VI. SUBMISSION TO JURISDICTION OF COURT**

I/we submit this Proof of Claim under the terms of the Stipulation of Settlement described in the Notice. I/we also submit to the jurisdiction of the United States District Court for the Northern District of Texas with respect to my/our claim as a member of the Settlement Class and for purposes of enforcing the release set forth herein. I/we further acknowledge that I am/we are bound by and subject to the terms of any judgment that may be entered in the Action. I/we agree to furnish additional information to Plaintiffs' Co-Lead Counsel to support this claim if requested to do so. I/we authorize Citadel or any brokerage house with whom I/we transacted business to release to Plaintiffs' Co-Lead Counsel, or their designee, upon their request and without notice to me/us, any and all information relating to any purchase or sale of Citadel common stock by me/us during the Class Period.

## **VII. RELEASE**

A. I/we hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release and discharge any and all Settled Claims (as defined below) against any and all of the Defendants (as defined below) and the Released Parties (as defined below).

B. "Settled Claims" means any and all claims, known or Unknown (as defined below), accrued or not accrued, at law or in equity, which have been or could have been asserted individually and/or derivatively by any Plaintiff and/or any member of the Class in (i) the above-referenced Action, captioned *Ruth Lentz v. Citadel Security Software, Inc., et al.*, Civil Action No. 3-05-CV-0100-D, pending in the United States District Court for the Northern District of Texas, Dallas Division, (ii) the Derivative Action, captioned *Hans J. Baier v. Steven B. Solomon, et al.*, 3:05-CV-0846-D, pending in the United States District Court for the Northern District of Texas, Dallas Division, and (iii) the State Derivative Suit, captioned *Harry Brantley v. Steven B. Solomon, et al.*, Cause No. 05-0311-L, pending in the 193rd State District Court in Dallas County, Texas (collectively, the "Actions") against Defendants (as defined below) or any Released Parties (as defined below) which relate to, arise out of or are based upon: (a) any purchase or sale of Citadel common stock during the Class Period and/or (b) the facts, matters, transactions or circumstances alleged in any of the Actions (including, without limitation, claims for negligence, gross negligence, abuse of control, waste of corporate assets, unjust enrichment, breach of fiduciary duty, breach of duty of care, breach of duty of loyalty, fraud, and/or violations of any state or federal common law, statutes, rules or regulations).

C. "Unknown Claims" means any and all Settled Claims which any Plaintiff and/or member of the Class do not know or suspect to exist in his/her/its favor at the time of the release of Defendants and the Released Parties, which if known by him/her/it might have affected his/her/its decision with respect to the Settlement. With respect to any and all Settled Claims, upon the Effective Date, each Plaintiff shall expressly and each member of the Class shall be deemed to have, and by operation of the Order shall have, expressly waived any and all provisions, rights and benefits conferred by law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW  
OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF  
KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Plaintiffs acknowledge and members of the Class, by operation of law shall be deemed to acknowledge, that the inclusion of "Unknown Claims" in the definition of Settled Claims was separately bargained for and was a key element of the Settlement. Plaintiffs and/or members of the Class may hereafter discover facts in addition to or different from those which he/she/it now knows or believes to be true with respect to the subject matter of the Settled Claims, but Plaintiffs intend and members of the Class are deemed to intend, the release of the Settled Claims to be effective without regard to the subsequent discovery or existence of such different or additional facts and it extends to Unknown Claims. The release of the Settled Claims is intended to be a full and binding release of all Settled Claims, including Unknown Claims, and shall be construed broadly to effect that purpose.

D. "Defendants" means Citadel, Steven B. Solomon, Richard Connelly, Chris A. Economou, John Leide and Joe M. Allbaugh.

E. "Released Parties" means Defendants in the Actions as well as Defendants' present and former officers, directors, agents, employees, consultants, attorneys, accountants, auditors, underwriters, partners, insurers, reinsurers, personal representatives, spouses, issues, heirs, executors, administrators, predecessors, succes-

sors, assigns, parent corporations, subsidiaries, divisions, affiliates, trusts, or any other individual or entity in which any Defendant has a controlling interest or which is affiliated with any of the Defendants or any of the parties listed above, and members of the immediate families of the Individual Defendants.

F. I/we hereby warrant and represent that I/we have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this Release or any other part or portion thereof.

G. This Release shall be of no force or effect unless the United States District Court approves the Stipulation of Settlement and unless the Stipulation of Settlement becomes effective as to the Defendants on the Effective Date (as defined in the Stipulation).

**VIII. CERTIFICATION**

I/we certify that I/we believe in good faith that I am/we are a member of the Class, as defined in the Notice, or am/are acting for such person; that I/we have read and understood the contents of the Notice; that I/we have not submitted a Request for Exclusion seeking to be excluded from the Class; that I/we believe that I am/we are entitled to receive a portion of the Net Settlement Fund; and that the foregoing information is true, accurate, and complete to the best of my/our knowledge, information, and belief.

Federal law provides that the filing of a false claim is punishable by a fine of not more than \$10,000 or imprisonment for not more than five years, or both.

I/we certify that I am/we are NOT subject to backup withholding under the provisions of Section 3406(a)(1)(c) of the Internal Revenue Code.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the word "NOT" in the certification above.

I/we declare under penalty of perjury under the laws of the United States that the foregoing information supplied by the undersigned and the supporting documentation attached hereto are true and correct, that I/we wish to enter into the Release, and that this Proof of Claim form was executed this \_\_\_\_ day of \_\_\_\_\_ (month), (year)

in \_\_\_\_\_.  
(City, State, Country)

\_\_\_\_\_  
Signature of Claimant

\_\_\_\_\_  
(Print your name here)

\_\_\_\_\_  
Signature of Joint Claimant, if any

\_\_\_\_\_  
(Print your name here)

\_\_\_\_\_  
Signature of person signing on behalf of claimant

\_\_\_\_\_  
(Print your name here)

\_\_\_\_\_  
(Capacity of persons signing on behalf of claimant, e.g., Executor, Custodian, etc.)

IMPORTANT: IF THIS CLAIM IS ON BEHALF OF JOINT OWNERS, ALL JOINT OWNERS MUST SIGN.

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

**Reminder Checklist:**

1. Please sign the above Release and Certification.
2. Remember to attach only **copies** of acceptable supporting documentation, a complete list of which can be found on the Claims Administrator's website.
3. Do not send original common stock certificates.
4. Keep a copy of the completed claim form and documentation for your records.
5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested, or its equivalent. **You will bear all risks of delay or non-delivery of your claim.**
6. If your address changes in the future, or if these documents were sent to an old or incorrect address please send us **written** notification of your new address.
7. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at:

Citadel Securities Litigation  
c/o Strategic Claims Services  
Concord Plaza  
2710 Concord Road, Suite 5  
Aston, Pennsylvania 19014  
[www.strategicclaims.net](http://www.strategicclaims.net)

Citadel Securities Litigation  
c/o Strategic Claims Services  
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**PLEASE FORWARD—IMPORTANT LEGAL NOTICE**