

figures might be supportable only if all significant liability and damage issues were resolved in Plaintiffs' favor at trial, and do not take into account the considerable risks of litigation, especially the significant risk to Plaintiffs of having to prove Defendants' fraudulent intent or recklessness, an indispensable element of some of Plaintiffs' claims, and the risk to Plaintiffs of having to prove the fact and amount of damages caused by Defendants' alleged violations separate from market forces. If Plaintiffs were not to prevail on all of the elements of their claims against Defendants, their recovery would be zero. Even if Plaintiffs were to prevail in establishing their claims, the Settling Defendants believe the amount of damages would be zero because Plaintiffs cannot show that their losses in any way can be attributed to the Settling Defendants' alleged conduct. The numerous issues on which the Settling Parties disagree are more fully described below.

Attorneys' Fees and Costs Sought: Class Counsel, in compensation for their time and risk in prosecuting the action on a contingent fee basis, intend to apply to the Court for an award of attorneys' fees of up to 30 percent of the total of the Settlement Fund (as well as the funds from the Prior Settlements, as described in the Prior Notice), plus accrued interest, and reimbursement of their expenses to prosecute the action and administer the Settlement. Should the Court award attorneys' fees and costs in the amount applied for, the average fee and costs per-share of common stock to Class Members in this Settlement would be less than one-third of a cent (assuming 86 percent of Class Members tender claims).

Identification of the Class' Attorneys: Co-Lead Counsel for the Class are the law firms HAGENS BERMAN SOBOL SHAPIRO LLP, 1301 Fifth Avenue, Suite 2900, Seattle, WA 98101, (206) 623-7292, and BERGER & MONTAGUE, P.C., 1622 Locust Street, Philadelphia, Pennsylvania 19103, (215) 875-3000. Liaison Counsel for the Class is the law firm, DYER & SHUMAN LLP, 801 E. 17th Avenue, Denver, Colorado 80218-1417, (303) 861-3003. Sherrie R. Savett of BERGER & MONTAGUE, P.C., Steve W. Berman of HAGENS BERMAN SOBOL SHAPIRO LLP, and the Class' Claims Administrator, P.O. Box 750, Philadelphia, PA 19105-0750, Telephone: 1-800-335-2852, are available to answer your questions on any matter contained in this Notice.

Reasons for Settlement: The Settling Parties believe that the Settlement is fair and in each of their best interests considering: (i) the Settling Defendants' financial conditions, which would bar any larger recovery against them, (ii) the uncertainty and risk of the outcome of further litigation, and (iii) each Settling Defendant's desire to eliminate the time and resources required to continue to defend the action.

THE SETTLEMENT HEARING

A hearing will be held before the Honorable Walker D. Miller, United States District Judge, on June 15, 2006, at 1:30 p.m. in Courtroom A902, of the United States Courthouse, 901 19th Street, Denver, CO 80294, for the purpose of determining, among other things, whether: (i) the proposed Settlement is fair, reasonable and adequate; (ii) the proposed Settlement should be approved by the Court and the Litigation dismissed on the merits and with prejudice as against the Settling Defendants, and a Final Judgment entered, as provided above; (iii) Class Counsel's request for attorneys' fees and expenses is fair and should be awarded; and (iv) the Plan of Allocation is fair and reasonable and should be approved. The hearing may be adjourned from time to time by the Court at the hearing or any adjourned session thereof without further notice.

DEFINITION OF THE CLASS

In connection with the Settlement, the Court has conditionally certified a Settlement class comprised of:

All persons who purchased or otherwise acquired the publicly traded debt or equity securities of BCI between February 6, 1995 and October 4, 1998, inclusive. Excluded from the Class are the Defendants, members of the immediate family of Scott A. Beck, Mark W. Stephens or Saad Nadhir, any entity in which any Defendant has a controlling interest, and the legal affiliates, representatives, heirs, controlling persons, successors, and predecessors in interest or assigns of any such excluded party. Specifically included in the Class are any and all mutual or other investment funds established or offered by the Underwriter Defendants or their affiliates, that have acquired the publicly traded debt or equity securities of BCI during the time period noted.

The Settlement class described above is referred to herein as the "Class." The named representatives of the Class are Albion Financial,

L.L.C., Linda Corray, Gordon Gaebler, Ira Graegerman, Leonard Hoffman, Mark and Debbie Katz, Tom Krzesinski, Alf and Marianne Silkeberg, Teachers' Retirement System of Louisiana and Raymond Wilkes.

COMMENCEMENT OF THE LITIGATION

This litigation began in June 1997 with the filing of several class-action complaints against the Defendants in federal court, all of which have been consolidated and docketed as *In Re Boston Chicken, Inc., Securities Litigation*, Civil Action No. 97-WM-1308 (D. Colorado) (the "Litigation"). The defendants were BCI, three BCI senior officers (Scott A. Beck, Mark W. Stephens and Saad Nadhir), BCI's public auditor (Arthur Andersen), and three investment-banking firms that underwrote BCI's public offerings (the Underwriter Defendants). Two more complaints were filed in Colorado state court, *Krzesinski v. Boston Chicken, Inc. et al.*, Case No. 97-CV-2295, and *Hoiseth, et al. v. Boston Chicken, Inc. et al.*, Case No. 97-CV-2543. The state court later consolidated these actions under the *Krzesinski* civil-action number (the "State Complaint").

On January 29, 1998, the Plaintiffs filed in federal court their Supplemental Consolidated Amended Class Action Complaint, which alleged claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by the Securities and Exchange Commission, sections 11, 12(2) and 15 of the Securities Act of 1933, and claims under the Colorado securities statutes against the defendants.

CLAIMS OF PLAINTIFFS

The Complaint alleged claims for violation of certain federal and state securities laws. Plaintiffs sought damages based upon allegations that the Defendants issued false and misleading public statements relating to BCI's business position and future prospects, and that certain of BCI's financial statements and public offering documents were materially inaccurate and/or failed to reflect all required information. Specifically, Plaintiffs alleged that defendants devised and executed a scheme to take a business – fast food stores – and structure it in a fashion that permitted them to: (i) hide \$155.5 million in losses during 1996 and \$325 million during 1997 while (ii) retaining the revenues for BCI long enough to lure in investors' monies with reports of sensational profits. The mechanism used to further this alleged scheme was a number of purportedly independent marketing affiliates ("FADs") that conducted BCI's retail business of selling fast food. Supported by "loans" from BCI, these affiliates paid back huge fees and royalties to BCI – BCI reported nearly \$800 million in revenues for 1996 – but kept their losses to themselves. Plaintiffs alleged that by excluding these enormous losses from its own books in 1996 and 1997, and failing to recognize \$128 million in bad loans throughout almost the entire Settlement Class Period, BCI used this arrangement to report false "profits" and prime the securities market for a quick series of public offerings.

Plaintiffs also alleged that, as investors discovered only later, BCI's financial statements were fraudulent. Throughout the Settlement Class Period, BCI listed the fees and royalties from the FADs on its income statements and loans to the FADs as an asset. Plaintiffs alleged that at no point during the Settlement Class Period, however, did BCI disclose any information about the individual financial status of the FADs, such as losses or their ability to pay fees, royalties and loan payments back to BCI without first borrowing more money from BCI. Significantly, Plaintiffs alleged that BCI's financial statements and public offering documents failed to disclose the enormous losses that the FADs incurred as its expansion plan unfolded. Indeed, Plaintiffs alleged that in just 1996 alone, these losses totaled \$155.5 million, and that investors knew nothing of this until later.

Plaintiffs believe that the Litigation has substantial merit and that they would ultimately prevail at trial. Further, the Settling Defendants would refile their motions to dismiss all of Plaintiffs' claims that were previously dismissed without prejudice due to the Settlement embodied herein. Plaintiffs believe that had a settlement not been reached, the motions (if refiled) would be denied. Entering into or carrying out the Settlement and any related negotiations or proceedings shall not in any event be construed as, or be deemed to be, evidence of an admission or a concession by the Plaintiffs with regard to the merits of their claims and shall not be offered or received in evidence in any action or proceeding in any court, administrative agency or other tribunal for any purpose whatsoever other than to enforce the

provisions of the Settlement's stipulation and exhibits or of any related agreement or release; except that the stipulation and exhibits may be filed in this Litigation or related litigation as evidence of the Settlement, or in any subsequent action against or by the Settling Defendants or other Released Parties, as defined in the Plaintiffs' stipulation with the Settling Defendants, to support a defense of *res judicata*, collateral estoppel, release, or other theory of claim or issue preclusion or similar defense.

PRETRIAL PROCEEDINGS AND DISCOVERY IN THE LITIGATION

Class Counsel has conducted extensive discovery during the prosecution of the Litigation. The discovery has included, *inter alia*: (i) review and analysis of documents obtained from stock analysts who followed BCI; (ii) review and analysis of BCI's financial statements and results for fiscal years 1994-1998; (iii) review and analysis of BCI's financial records and other internal documents, Arthur Andersen's workpapers and analyses, and the Underwriter Defendants' "due diligence" files and supporting documentation, (iv) interviewing numerous witnesses, including current and former employees of BCI as well as each of the Settling Defendants, Saad Nadhir, representatives of the Underwriter Defendants who were involved in BCI's public offerings, and auditors from Arthur Andersen involved in the audits at issue; (v) review and analysis of public documents, including all relevant filings made by BCI with the SEC; (vi) extensive consultation with experts; (vii) the review and analysis of documents produced by the BCI Individual Defendants, the Underwriter Defendants and Arthur Andersen; and (viii) a thorough analysis and evaluation of the facts supporting Plaintiffs' claims. Class Counsel also has researched thoroughly the applicable law with respect to the claims of the Plaintiffs against the Settling Defendants and the potential defenses thereto.

RECENT DEVELOPMENTS

In December 2001, Plaintiffs mailed and published a notice (the "Prior Notice") informing Class Members of this Litigation and that Arthur Andersen and the Underwriter Defendants settled the claims against them by paying \$19.4 million into a settlement fund for distribution to qualifying holders of BCI securities. The Prior Notice advised Class Members to complete and return the provided claim form within six months if they wished to participate in the settlements. In the meantime, the Federal District Court overseeing this action approved those settlements but did not rule on Class Counsel's petition for an award of attorneys' fees and reimbursement of their litigation expenses. This has prevented any distribution of the settlement fund because, as the Prior Notice explained, payment for Class Counsel's legal work and reimbursement for their litigation expenses dating back to 1997 were to be awarded from the Settlement Fund. According to the Prior Notice, after the Court determines the amount of fees and expense reimbursement, that amount is deducted from the Settlement Fund and the remainder can then be distributed to shareholders on a pro rata basis. But there could be no distribution of the settlement until the Court determined the fee and expense award.

By September 2002, the claims administrator for the Prior Settlements had completed processing the proof-of-claim forms returned by Class Members. On September 20, 2002, Class Counsel filed with the Court a renewed fee/expense application to notify the Court that, but for the fee/expense determination, the settlement fund was ready to distribute to participating Class Members. But several months later, the case was transferred to federal court in Arizona, where a parallel lawsuit relating to BCI's bankruptcy was unfolding. Class Counsel asked the federal court in Arizona to rule on their fee petition and authorize distribution of the Prior Settlements. The Court did not do so and instead transferred this Litigation back to the original federal court in Colorado in August 2003. Because neither the Arizona federal Court nor the Colorado Federal Court ruled on the fee/expense application, the settlement fund has not been distributed to participating Class Members and continues to accrue interest.

Plaintiffs negotiated the Mark Stephens' settlement while the Litigation was in the Arizona court and began settlement discussions with Scott Beck soon after the Litigation was referred back to Colorado. By October 2003, Plaintiffs believed they had reached an agreement in principle with Beck to settle the claims against him (though more months were required to work out the actual details with Beck's insurance carrier).

BENEFITS OF SETTLEMENT TO PLAINTIFFS AND THE CLASS

Foremost among the reasons for Settlement, Class Counsel recognized the inability of the Settling Defendants' assets to satisfy any potential judgment against them in favor of the Class. Stephens and Beck were effectively uninsured because the BCI directors and officers ("D&O") liability policy that covered them was quickly becoming exhausted. BCI had purchased a tiered D&O policy from several different insurers. The first two tiers, one for \$20 million and a second for \$10 million, were being rapidly drained by defense costs expended in the parallel lawsuit prosecuted by the BCI bankruptcy Plan Trustee in the United States District Court for the District of Arizona. The third tier, a \$10 million policy intended to be triggered when D&O liability exceeded \$30 million, is unavailable due to that insurer's insolvency. The fourth insurance tier cannot be tapped until the \$10 million gap created by the third tier liability insurer's insolvency is bridged.

Plaintiffs and the bankruptcy Plan Trustee settled with Stephens at the same time and obtained his full share of the remaining insurance policy. Plaintiffs and the Plan Trustee then agreed on apportioning the policy proceeds between them. Plaintiffs' share was \$1,283,333, plus accrued interest. Plaintiffs subsequently settled with Beck, obtaining his full share, \$896,205.91, of the same insurance policy that had become further depleted by the continuing defense costs in the Plan Trustee litigation. Plaintiffs had no obligation to allocate any portion of this amount to the Plan Trustee.

In Class Counsel's view, these sums, though small relative to the Class' total damages, represent the maximum potential recovery reasonably obtainable from these defendants. As just described, the Settlement fully tapped the remnants of Stephens' and Beck's D&O liability insurance policy. As a result, Plaintiffs and the Class would be required to look to these Defendants' personal assets for any additional settlement recovery or to execute upon judgment. After reviewing evidence obtained by the Plan Trustee, Class Counsel concluded that ***those personal assets were insufficient to support any meaningful recovery for the Class.***

In addition, Class Counsel recognized and acknowledged the expense and length of continued proceedings necessary to prosecute the Litigation against the Settling Defendants through trial and through appeals. Class Counsel has also taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Litigation, as well as the difficulties and delays inherent in such litigation. Class Counsel has considered the strengths and uncertainties of the claims asserted in the Litigation, the possible defenses to the claims asserted, the obstacles to Plaintiffs' recovery imposed by the federal Private Securities Litigation Reform Act of 1995, and the benefits of a cash settlement of \$2,179,538.91 plus interest (less the fees, which shall not exceed 30% percent thereof, and expenses awarded to Class Counsel) for the Class. The Settlement was reached after numerous arms-length negotiating sessions. Class Counsel also considered the procedural obstacles created by the October 1998 bankruptcy filing of BCI. Among other matters, the filing led to the imposition of a permanent injunction staying further activity against BCI in the Litigation, and upon confirmation of the Plan of Reorganization, which discharged the Class' claims against BCI. Class Counsel has therefore determined that the Settlement set forth in the Stipulation is in the best interests of the Plaintiffs and the Class.

PLAINTIFFS DISMISS THE REMAINING DEFENDANT

In an effort to resolve the entire Litigation, Plaintiffs approached the sole remaining defendant, Saad Nadhir, to discuss settlement. Those discussions were unsuccessful. Plaintiffs concluded that Nadhir wished to use the claims asserted against him in this Litigation as leverage in the BCI Plan Trustee's litigation. Plaintiffs ultimately decided to voluntarily dismiss their claims against Nadhir, and on June 14, 2004, asked the Court for leave to do so. The Court granted the dismissal on May 25, 2005. By dismissing Nadhir, Plaintiffs intended to deny him any opportunity to use their claims to hinder the Plan Trustee's claims. In addition, Nadhir's financial condition does not warrant continuing this case against him as the sole defendant. As discussed above, the liability insurance policy for BCI directors and officers including Nadhir is depleted. Further, Class Counsel concluded, after reviewing testimony Nadhir gave under oath regarding his financial status, that his personal executable assets could not support any meaningful recovery for the Class. Finally, the Plaintiffs have

dismissed only their own individual claims against Nadhir. The dismissal allows other shareholders to pursue claims against Mr. Nadhir if they choose. If you are interested in pursuing an individual claim against Mr. Nadhir, please consult your attorney without delay.

THE SETTling DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

The Settling Defendants have each denied and continue to deny each and all of the claims and contentions alleged by Plaintiffs in the Litigation. They have asserted and continue to assert many defenses thereto and have expressly denied and continue to deny any wrongdoing or legal liability arising out of the conduct alleged in the Litigation. They have also denied that Plaintiffs or members of the Class have suffered damage or that the price of BCI's equity or debt securities was artificially inflated by reason of their representations, alleged non-disclosures or otherwise.

Specifically, the Settling Defendants deny the allegations that they concealed the risk of losses incurred by BCI's FADs. To the contrary, the Settling Defendants believe that BCI's public filings demonstrate that BCI fully disclosed its financial relationship with its FADs; fully disclosed the risks FAD losses posed to BCI; and fully disclosed the FAD's actual losses as they became known. The Settling Defendants further deny the allegations that BCI's financial reporting or offering materials were inaccurate or misleading in any way or that they misled the market about whether BCI's financial reporting was inaccurate or misleading in any way or was prepared in compliance with the governing financial accounting standards. The Settling Defendants would be refiling their motions to dismiss all of Plaintiffs' claims against them had the case gone forward. Had a settlement not been reached, they believe they would have prevailed on their motions.

Neither the proposed Settlement, nor any document referred to in the Stipulation of Settlement dated July 23, 2004 (the "Stipulation"), nor any action taken to carry out the Stipulation, are, may be construed as, or may be used as, an admission by or against either Settling Defendant of any fault, wrongdoing or liability whatsoever. Entering into, or carrying out, the Stipulation (or the exhibits thereto) and any negotiations or proceedings related thereto shall not in any event be construed as, or be deemed to be evidence of, an admission or concession with regard to the denials or defenses of either Settling Defendant and shall not be offered or received in evidence in any action or proceeding in any court, administrative agency or other tribunal for any purpose whatsoever other than to enforce the provisions of the Stipulation (and its exhibits) or the provisions of any related agreement or release; except that the Stipulation and its exhibits may be filed in this Litigation or related litigation as evidence of the Settlement, or in any subsequent action against or by any Settling Defendant or the other Released Parties to support a defense of *res judicata*, collateral estoppel, release, or other theory of claim or issue preclusion or similar defense.

BENEFITS OF SETTLEMENT TO THE SETTling DEFENDANTS

The Settling Defendants have concluded that it is desirable that the claims asserted against them in this Litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation in order to avoid the expense, inconvenience and distraction of further legal proceedings and to put to rest the Settled Claims, including Unknown Claims (as those terms are defined in the respective Release as part of the Proof of Claim and Release) asserted by the Plaintiffs. In determining to enter into and to perform the Stipulation, the Settling Defendants have also considered a number of issues, including the uncertain outcome and the risk of any litigation, especially in complex actions such as the Litigation, as well as the difficulties and delays inherent in such litigation and the strengths and uncertainties of the claims and defenses asserted in the Litigation.

THE RIGHTS OF CLASS MEMBERS

For purposes of the Settlement, members of the Class are all persons who purchased BCI equity or debt securities during the Settlement Class Period, defined above. Excluded from the Class are the defendants, members of the Settling Defendants' and Saad Nadhir's immediate families, any entity in which any defendant has a controlling interest, and the legal affiliates, representatives, heirs, controlling persons, successors, and predecessors in interest or assigns of any

such excluded party. Specifically included in the Class are any and all mutual or other investment funds established or offered by the Underwriter Defendants or their affiliates, that have acquired the publicly traded debt or equity securities of BCI during the time period noted. For purposes of this Settlement, "Class Members" mean all members of the Class as defined above, except for Persons who submit a valid and timely Request for Exclusion.

If you are a Class Member and submit a Proof of Claim and Release or have already submitted a valid and timely Proof of Claim in connection with the Prior Settlements, you may receive the benefit of, and you will be bound by, the terms of the proposed Settlement described below, upon approval of the Court and consummation of the Settlement.

All members of the Class have the option of excluding themselves from the Class by mailing a timely and valid request for exclusion, postmarked on or before May 31, 2006 to:

BCI Securities Litigation Claims Administrator
P.O. Box 750
Philadelphia, PA 19105-0750
Telephone: 1-800-335-2852

A Request for Exclusion must set forth the following information with respect to the person or entity requesting exclusion: (i) the name, address, Social Security or Employer Identification Number of the Person seeking exclusion; (ii) the name and address of the Person in whose name the shares were registered (if different from the foregoing); (iii) the number and type of BCI common stock and/or debt securities purchased and sold, if applicable; (iv) the dates of all such trades; (v) the price paid for and the proceeds received, if any, from sale of such securities, and (vi) furnish written confirmation of each such transaction. All Requests for Exclusion must be signed by or on behalf of the person or entity requesting exclusion and must clearly state the intention to be excluded from the Class.

A Request for Exclusion is invalid if it is not timely submitted, or does not include all the information required by this Notice, or is not signed as provided in this Notice. A member of the Class who submits an invalid Request for Exclusion remains a Class Member.

All persons or entities who properly submit Requests for Exclusion from the Class shall not be Class Members and shall have no rights with respect to the Settlement and no interest in the Settlement Fund and may seek to prosecute claims on an individual basis.

If you are a Class Member, you may, but are not required to, enter an appearance through counsel of your own choosing at your own expense. If you do not do so, you will be represented by Lead Counsel for Plaintiffs and the Class, including:

Sherrie R. Savett, Esq.
BERGER & MONTAGUE, P.C.
1622 Locust Street
Philadelphia, PA 19103
(co-lead counsel)

Steve W. Berman, Esq.
HAGENS BERMAN SOBOL SHAPIRO LLP
1301 Fifth Avenue, Suite 2900
Seattle, WA 98101
(co-lead counsel)

THE PROPOSED SETTLEMENT

On March 31, 2003, and May 25, 2004, Plaintiffs and the two Settling Defendants reached settlements, which are set forth in the Stipulation on file with the Court. For the purposes of this Notice, the two settlements are deemed to be a single settlement. Class Counsel, on the basis of, among other things, a thorough investigation of the facts and the law relating to the acts, events, and conduct complained of and the subject matter of the Litigation, has concluded that the proposed Settlement is fair to, and in the best interests of, the Class. While the Settling Defendants deny all charges of wrongdoing and do not concede liability, they have agreed to settle the Litigation on the basis proposed for the purpose of putting to rest all further controversy and avoiding substantial expenses and the inconvenience and distraction of burdensome and protracted litigation.

The following description of the proposed Settlement of the Litigation is only a summary. Reference may be made to the text of the Stipulation, on file with the Court, for a full statement of their provisions. As already described, the major terms of the Settlement are:

1. The Settlement Fund has been established for \$2,179,538.91 in cash plus interest. Deducted from the Settlement Fund will be: (i) taxes on the accrued interest, (ii) litigation expenses awarded to Class Counsel, (iii) attorneys fees awarded to Class Counsel, which shall not exceed 30 percent of the Settlement Fund after deduction of expenses, (iv) expenses of notifying the Class of this Partial Settlement and administering Class Members' claims, and (v) other incidental costs, including reimbursement to the individual Plaintiffs for their personal expenses in prosecuting this Litigation.

2. Upon approval of the Settlement by the Court, entry of a Final Judgment that becomes a final and nonappealable judgment, and satisfaction of other conditions of the Settlement, the Settlement Fund will be distributed under the Court's direction and supervision, as follows:

(a) Subject to the approval and order(s) of the Court, to pay Class Counsel's attorneys' fees and expenses, plus accrued interest thereon, including the fees of experts and reimbursement of expenses incurred by each of the Plaintiffs in connection with the Litigation, all if and to the extent allowed by the Court.

(b) To pay all reasonable costs and expenses incurred in connection with providing Notice to members of the Class, locating members of the Class, soliciting Class Members' claims, assisting with the submitting of claims, administering and distributing the Settlement Fund to the Class, processing Proofs of Claim, processing requests for exclusion, escrow fees and costs.

(c) Subject to the approval and order(s) of the Court, the balance of the Settlement Fund (that is, the Net Settlement Fund) shall be distributed to Class Members who submit valid and timely Proofs of Claim and Release ("Authorized Claimants") in accordance with the Plan of Allocation described below. **Note, however, that those Class Members who previously submitted valid and timely Proofs of Claim and Release in connection with the Underwriter and Arthur Andersen settlements need not resubmit a Proof of Claim and Release. If you have any question whether you previously submitted a valid Proof of Claim and Release, please contact the claims administrator at 1-800-335-2852.**

STATEMENT OF PLAINTIFFS' RECOVERY

Class Counsel's best estimate of the average recovery from the Settlement Fund to Class Members who purchased BCI common stock during the period between February 6, 1995, and October 4, 1998, inclusive, is, on the average, approximately 1.1¢ per share (assuming approximately 86 percent of Class Members tender claims), less each share's portion of any fees, expenses, or costs authorized or awarded by the Court. ***This amount is only an estimate.***² This estimate is also based on assumptions and calculations made concerning the trading pattern and volume of the Subject Securities during the Settlement Class Period and the number of Subject Securities³ entitled to participate in the Settlement. Your actual recovery under the Settlement will vary depending on the amounts you paid for BCI common stock or debt securities purchased during the Settlement Class Period, the amount of proceeds you received for sales (if any) of any such securities, and the number of Class Members who actually submit claims for their share of the Net Settlement Fund. (See also the description of the proposed Plan of Allocation below.)

In addition, Class Member claims submitted in connection with the Prior Settlements are fully administered. For those Class Members who previously submitted valid claims forms and releases relating to the Prior Settlements, the average per-common-share recovery

from those settlements is about 8¢, less each share's portion of any fees, expenses, or costs authorized or awarded by the Court, though your own recovery will vary depending on the date you purchased your shares during the Settlement Class Period. The total estimated average per-common-share recovery from all settlements is thus 9.1¢ (less each share's portion of any fees, expenses, or costs authorized or awarded by the Court).

STATEMENT OF POTENTIAL OUTCOME OF THE CASE

Although the Settling Parties agree about the general principles of law and economics that govern the question of damages, they do not agree on an average amount of potential damages per share that could be reasonably estimated if the Class were to prevail in establishing liability with respect to each claim asserted in the Litigation.

The parties agree with respect to the following legal and economic principles governing the Plaintiffs' claims for damages: Plaintiffs can recover only those actual out-of-pocket losses that Plaintiffs prove were caused by a Defendant's violation of the federal securities laws, and not losses caused by other factors. Plaintiffs bear the burden of proving that they and other Class Members were, in fact, damaged by reason of the Defendant's violations and the amount of damages caused by such violations. Should Plaintiffs fail to satisfy their burden with respect to either of those matters, they and the Class Members would be entitled to receive nothing. A Class Member's market loss may bear little relationship to the legal measure of damages in this case. The measure of damages could be materially less than any Class Member's market losses because Class Members' market losses, as measured by changes in the price of the Subject Securities during the Settlement Class Period, may not all be attributed to the matters alleged in the Complaint. (The Settling Defendants deny that any such losses may be so attributed.) With respect to the estimate of damages in securities fraud cases, plaintiffs and defendants often have widely divergent views, as they do here. The estimate of damages in such cases involves highly complex valuation and trading models that require the supporting testimony of a qualified expert witness. Before any such expert testimony may be presented to a jury, the Court must determine, in the first instance, that it is admissible in evidence. Subject to the agreed legal principles, and assuming the admissibility of the experts' estimates, the proper measure of damages is then a question for the jury to determine.

The Settling Parties disagree with respect to numerous issues that bear upon the question of damages that would be recoverable if Plaintiffs were to prevail on each of their claims. The issues on which the Settling Parties disagree include:

(1) the appropriate economic model for determining the amount by which the prices of BCI's securities were allegedly artificially inflated (if at all) during the Settlement Class Period, including the threshold question of its admissibility under federal law;

(2) the amount by which BCI's securities prices were allegedly artificially inflated (if at all) during the Settlement Class Period;

(3) the various market forces influencing the trading prices of BCI's securities during the Settlement Class Period;

(4) the extent to which external factors, such as general market conditions, or factors unrelated to the matters alleged in the Complaint, influenced the trading prices of BCI's securities during the Settlement Class Period (including the question of what portion of the drop in the market price of BCI's securities can reasonably be attributed to the matters alleged in the Complaint and what portion should be attributed to other factors);

(5) the extent to which the various matters that Plaintiffs alleged were false or misleading influenced (if at all) the trading prices of BCI's securities during the Settlement Class Period;

(6) the extent to which the various matters that BCI disclosed that Plaintiffs do **not** allege were false or misleading, or that were otherwise publicly available to investors, counteracted or nullified the effect (if any) on the market prices of BCI's securities of those matters that the Plaintiffs alleged were false or misleading;

(7) the number of shares of common stock or units of the other Subject Securities that were, in fact, damaged by the alleged misstatements or omissions;

² It is necessary to make certain assumptions and estimates to determine the average per-share common recovery. Among such assumptions are that the shares used to generate the estimate are those described in the Plan of Allocation at Subgroups 2 and 3 (see Plan of Allocation, below) and that timely and valid Proofs of Claim and Release with respect to 86% of such shares will be submitted. This figure is based on Plaintiffs' Counsels' experience with the response to the Prior Notice in this Litigation. Plaintiffs' Counsel also believe that, because of the small recognized losses attributable to Subgroups 1 and 4, it is not appropriate to include shares from those Subgroups in estimating the average per common-share recovery.

³ The term "Subject Securities" means BCI common stock, 4.5% Notes, 7.75% Notes and/or the LYONS.

(8) the admissibility of estimates of the number of shares of common stock or units of the other Subject Securities that were, in fact, damaged by the alleged misstatements or omissions;

(9) the proper effect of the damages ceiling set forth in the securities laws; and

(10) the estimate of the number of valid claims that are likely to be submitted.

PLAN OF ALLOCATION

Payments and distributions from the Net Settlement Fund shall be allocated among Authorized Claimants under the same Plan of Allocation employed in the Prior Settlements with Arthur Andersen and the Underwriter Defendants:

(a) The term "Market Loss" shall mean the difference between the purchase price of the Subject Security and the sales price of the Subject Security (or the closing value of such Subject Security on October 2, 1998, if any Subject Security was still held and not sold as of that date). Any gain on the purchase and sale of Subject Securities during the Settlement Class Period shall be used to offset an Authorized Claimant's Recognized Loss.

(b) The Recognized Loss per security for each Subject Security shall be determined as follows:

Common Stock Purchasers

(i) For Authorized Claimants who purchased common shares during the Settlement Class Period but on or before April 9, 1997 and who sold such shares at a loss on or before April 9, 1997 ("Subgroup 1"), the Recognized Loss is deemed \$.05 per share.

(ii) For Authorized Claimants who purchased common shares during the Settlement Class Period but on or before April 9, 1997 and who sold such shares at a loss on or after April 10, 1997, or held their common shares after October 2, 1998 ("Subgroup 2"), the Recognized Loss is 100% of the "Market Loss" as defined above.

(iii) For Authorized Claimants who purchased common shares between April 10, 1997 and October 30, 1997, inclusive, and who sold their shares at a loss at any time on or after April 10, 1997 or held their common shares after October 2, 1998 ("Subgroup 3"), the Recognized Loss is 75% of the "Market Loss" as defined above.

(iv) For Authorized Claimants who purchased common shares between October 31, 1997 and October 2, 1998, inclusive, and who sold their shares at a loss at any time on or after October 31, 1997 or held their common shares after October 2, 1998 ("Subgroup 4"), the Recognized Loss is deemed \$.05 per share.

Purchasers of LYONS, 4.5% Notes and 7.75% Notes (Collectively "Debt Securities")

(i) For Authorized Claimants who purchased 2015 LYONS, 4.5% Notes and 7.75% Notes (collectively "Debt Securities") during the Settlement Class Period but on or before April 9, 1997, and who sold such Debt Securities at a loss on or before April 9, 1997 ("Subgroup 1"), the Recognized Loss is deemed \$2 per \$1,000 face amount of the Debt Security.

(ii) For Authorized Claimants who purchased Debt Securities during the Settlement Class Period but on or before April 9, 1997 and who sold such Debt Securities at a loss on or after April 10, 1997, or held their Debt Securities after October 2, 1998 ("Subgroup 2"), the Recognized Loss is 100% of the "Market Loss" as defined above.

(iii) For Authorized Claimants who purchased Debt Securities between April 10, 1997 and October 30, 1997, inclusive, and who sold their Debt Securities at a loss on or after April 10, 1997, or held their Debt Securities after October 2, 1998 ("Subgroup 3"), the Recognized Loss is 75% of the "Market Loss" as defined above.

(iv) For Authorized Claimants who purchased Debt Securities between October 31, 1997 and October 2, 1998, inclusive, and who sold their Debt Securities at a loss on or after October 31, 1997, or held their Debt Securities after October 2, 1998 ("Subgroup 4"), the Recognized Loss is deemed \$2 per \$1,000 face amount of the Debt Security.

These calculations are based on an analysis of the Class claims performed by Class Counsel. On April 10, 1997, an article appeared in the *San Francisco Chronicle* disclosing some adverse information about BCI's financial condition and criticizing BCI's aggressive accounting practices, allegedly causing a substantial decline in the price of the Subject Securities. This constituted a partial disclosure of the alleged fraudulent financial reporting as set forth in the Complaint. Subgroup 1 Subject Securities were bought and sold before this partial disclosure and thus, the amount of the alleged artificial inflation at the point of purchase and sale were identical. Subgroup 1 Subject Securities, therefore, suffered little or no damage. Subgroup 2 Subject Securities were purchased before the April 10, 1997 partial disclosure and sold during the Settlement Class Period on or after the April 10, 1997 partial disclosure or held to the end of the Settlement Class Period. Subgroup 2 Subject Securities were purchased before any knowledge of the alleged fraudulent financial reporting and sold or held after the April 10, 1997 partial disclosure and therefore, have been assigned a Recognized Loss of 100% of Market Loss.

On October 30, 1997, BCI announced that it would be exercising its option to convert the loans to all of the FADs into a majority equity interest, allegedly causing a substantial decline in the Subject Securities due to the fact that the large losses suffered by the FAD's would be consolidated with BCI's financial statements. This constituted almost if not full disclosure of the alleged fraudulent financial reporting. Because Subgroup 3 Subject Securities were purchased with partial knowledge of the alleged fraudulent financial reporting due to the April 10, 1997 partial disclosure but before October 30, 1997, Subgroup 3 Subject Securities have been assigned a Recognized Loss of 75% of Market Loss. Subgroup 4 Subject Securities were purchased after the October 30, 1997 full disclosure and therefore, suffered little or no damage due to the alleged fraudulent financial reporting.

(c) The date of purchase or sale is the "contract" or "trade" date as distinguished from the "settlement" date. For purposes of computing purchases and sales prices, commissions and fees with respect to the purchase or sale of the Subject Securities and accrued interest, if any, on the Debt Securities shall not be included.

(d) In processing each claim, securities sold during the Settlement Class Period and securities unsold at the end of the Settlement Class Period shall be matched on a first-in, first-out ("FIFO") basis, first against holdings at the beginning of the Settlement Class Period (creating zero loss by such matchups) and then against security purchases during the Settlement Class Period.

(e) Payment in the manner set forth above shall be deemed conclusive of compliance with this Stipulation as to you and all other Authorized Claimants, though the determinations of the Claims Administrator shall be subject to review and approval by the Court, as part of the Court's review and approval of a proposed Order of Distribution.

(i) **If you previously submitted a Proof of Claim** in connection with the Prior Settlements, unless you affirmatively exclude yourself from this Settlement as provided on page 4, you are deemed to waive the right to trial by jury, to the extent it exists, and agree to summary disposition by the Court with respect to the determination of the validity and amount of your claim against the Settling Defendants.

(ii) **If you did not previously submit a Proof of Claim**, you can participate in the present Settlement by submitting a Proof of Claim and Release now (though your opportunity to participate in the Prior Settlements has passed). By doing so, you waive the right to trial by jury against the Settling Defendants, to the extent it exists, and agree to summary disposition by the Court with respect to the determination of the validity and amount of your claim. Note, however, that if you fail to submit a valid and timely proof of claim, you will be barred from participating in the distribution of the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise will be bound by all of the terms of the Settlement, including the terms of any final orders or judgments entered and the release given, unless you affirmatively exclude yourself from the Settlement as provided on page 4.

(f) The Settling Defendants have no responsibility for, and no obligations or liabilities of any kind whatsoever in connection with, the determination, administration, calculation or payment of claims to Class Members. The definition of Recognized Loss may be considered

by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the Settlement set forth in the Stipulation, and any order or proceedings relating to the method of calculating the Recognized Loss, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Final Judgment approving the Stipulation and the Settlement of the Litigation set forth herein. The method of calculating the Recognized Loss was determined by Class Counsel; the Settling Defendants take no position with respect to the definition of Recognized Loss, the manner of calculating it or its effect on, or fairness to, you or any Authorized Claimant other than to deny that the price of BCI's securities was artificially affected or inflated by their conduct.

(g) If you are an Authorized Claimant, you will have no claim against Plaintiffs' Counsel or the Claims Administrator based on, or in any way relating to, distributions from the Net Settlement Fund that have been made substantially in accordance with this Notice.

PARTICIPATION IN THE SETTLEMENT

1. **To share in the Net Settlement Fund, you need do nothing in response to this Notice if you already submitted a valid and timely Proof of Claim and Release form in response to the Prior Notice informing you of the Arthur Andersen/Underwriter settlements. Your signature on the check issued to you that includes your share of the Net Settlement Fund will be deemed your individual affirmation of the release contained in the Proof of Claim and Release form sent with this Notice.**

2. **If you did not previously submit a valid and timely Proof of Claim and Release form, to share in the Net Settlement Fund, you must complete and submit a Proof of Claim and Release form enclosed with this Notice no later than August 17, 2006, to the address set forth in the attached Proof of Claim and Release form. If you do not know whether you previously submitted a valid and timely Proof of Claim and Release form, please call the Settlement Claims Administrator at 1-800-335-2852.**

3. Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. You will not have any claim against Class Counsel, the Claims Administrator, Settling Defendants and other Released Parties, or any person designated by Class Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further order(s) of the Court.

4. Any Class Member who fails to complete and file a valid and timely Proof of Claim and Release form, either in response to this Settlement or the prior Arthur Andersen/ Underwriter settlements, will be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise will be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the release given.

5. If your recovery from the Net Settlement Fund is less than \$5, you will not receive a payment, unless you are also entitled to recover from the Prior Settlements and your combined recovery exceeds \$5. If your recovery is less than \$5 and you do not receive a payment, you will still be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the release given.

FINAL JUDGMENT UPON APPROVAL

1. If the Court approves the Settlement, the Court will enter a Final Judgment that, among other things, will:

(a) Approve the Settlement as fair, reasonable and adequate to the Class;

(b) Consider Class Counsel's request for attorneys' fees and expenses and expense awards to Plaintiffs;

(c) Certify the Class and approve the Plaintiffs as representatives of the Class for purposes of the Settlement;

(d) Dismiss the Litigation in its entirety as against the Settling Defendants with prejudice and without costs to any party as against any other party;

(e) Adjudge that the Plaintiffs and each Class Member, defined as those who have not timely and validly requested

exclusion, shall be deemed conclusively to have released the Settled Claims, including Unknown Claims, against the Settling Defendants and the other Released Parties, Plaintiffs and Class Counsel, whether or not such member of the Class executes and delivers a Proof of Claim and Release or participates in the Settlement Fund. The terms Settled Claims and Unknown Claims as they relate to each of the Settling Defendants, are defined in the Release included with the Proof of Claim. Notwithstanding that the Plaintiffs or any Class Member may hereafter discover facts in addition to, or different from, those that the Plaintiffs and Class Members now know or believe to be true with respect to the Litigation and Settled Claims, including Unknown Claims, or to the subject matter of the release, the Plaintiffs and each Class Member shall be deemed, upon the Effective Date, fully, finally and forever to settle and release any and all Settled Claims, including Unknown Claims, as against the Settling Defendants and the other Released Parties, including but not limited to all claims known or unknown, suspected or unsuspected, contingent or non-contingent, that now exist, may hereafter exist, or heretofore have existed, and without regard to the subsequent discovery or existence of any such different or additional facts. In giving such release, all Class Members and Plaintiffs are deemed to have waived any and all rights that they may have under any statute or common-law principle that would limit the effect of the foregoing release to those claims actually known or suspected to exist at the time of execution of this Stipulation, including the provisions of Section 1542 of the California Civil Code, to the extent deemed applicable (notwithstanding that the Stipulation does not provide for the application of California law), which provides as follows:

§ 1542. General release; extent

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.

(f) Adjudge that, upon the Effective Date, the Settling Defendants and the other Released Parties shall be deemed to have released the Plaintiffs and Plaintiffs' Counsel from those claims or potential claims against Plaintiffs and Plaintiffs' Counsel that are based upon or arise out of the institution, assertion, prosecution or resolution of the Litigation or the Settled Claims; provided, however, that such release shall not extend to claims arising out of any violation of the Stipulation or any violations of any confidentiality agreements entered into in the Litigation. The Settling Defendants on behalf of themselves and each of their predecessors, Successors in Interest, parents, subsidiaries, affiliates, custodians, agents, assigns, representatives, heirs, executors, trustees, or administrators, shall be forever barred and enjoined from commencing, instituting or prosecuting any claims, liabilities, and causes of action in connection with Plaintiffs' institution, prosecution, assertion or resolution of the Litigation or the Settled Claims against Plaintiffs and Plaintiffs' Counsel; provided, however, that such bar shall not extend to claims arising out of any violation of the Stipulation or any violations of any confidentiality agreements entered into in the Litigation.

(g) Adjudge that upon the Effective Date, each of the Plaintiffs and each member of the Class, and each of their predecessors, Successors in Interest, parents, subsidiaries, affiliates, custodians, agents, assigns, representatives, heirs, executors, trustees, administrators and any other Person or entity having any legal or beneficial interest in BCI equity or debt securities purchased, received or sold by any member of the Class during the Class Period, will be forever barred and enjoined from commencing, instituting or prosecuting in any court of law or equity, arbitration tribunal, or administrative forum, directly, representatively, or derivatively any of the Settled Claims or any action or other proceeding against Stephens, Beck and/or the other Released Parties with respect to, based on, arising from, or for the Settled Claims, whether or not such member of the Class executes and delivers a Proof of Claim and Release or participates in the Settlement Fund.

(h) Adjudge that upon the Effective Date, the Settling Defendants, Saad Nadhir, Arthur Andersen, the Underwriter Defendants, and their Successors in Interest shall be barred and permanently enjoined, whether directly, representatively, or in any other capacity, from instituting or prosecuting or continuing to prosecute any claim for indemnity or contribution against Stephens or Beck (or any other claim against Stephens and Beck where the injury to any of the Settling Defendants, Arthur Andersen, the Underwriter Defendants, Saad Nadhir and/or their Successors in Interest is the liability of any of the Settling Defendants, Arthur Andersen, the Underwriter Defendants, Saad Nadhir or their Successors in Interest to any of the Plaintiffs or any member of the Class), arising out of or reasonably flowing from the claims or allegations in the Litigation, whether arising under state, federal or foreign law as claims, cross-claims, counterclaims, or third-party claims, in the Litigation, in this Court, in any federal or state court, or in any court, arbitration proceeding, administrative agency, or other forum in the United States, Canada or elsewhere.

(i) Adjudge that upon the Effective Date, the Settling Defendants and their Successors in Interest shall be barred and permanently enjoined, whether directly, representatively, or in any other capacity, from instituting or prosecuting or continuing to prosecute any claim for indemnity or contribution against Nadhir (or any other claim against Nadhir where the injury to any of the Settling Defendants or their Successors in Interest is the liability of any of the Settling Defendants or their Successors in Interest to any of the Plaintiffs or any member of the Class), arising out of or reasonably flowing from the claims or allegations in the Litigation, whether arising under state, federal or foreign law as claims, cross-claims, counterclaims, or third-party claims, in the Litigation, 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, Canada or elsewhere.

(j) Adjudge that upon the Effective Date, for the purpose of effectuating the Parties' intention to protect Stephens and Beck from claims or claims-over of third parties arising out of the Settled Claims, the Court shall enter an order that:

(1) Bar and permanently enjoin all Persons with the exception of BCI, the BCI Affiliates and the Plan Trustee but including without limitation the Settling Defendants, Arthur Andersen, the Underwriter Defendants, Saad Nadhir, and their Successors in Interest, either directly, representatively, or in any other capacity, from instituting or prosecuting or continuing to prosecute, any action, claim or claim-over; and

(2) Dismiss with prejudice and without costs any claims or claims-over asserted or deemed asserted by any Persons with the exception of BCI, the BCI Affiliates and the Plan Trustee but including without limitation the Settling Defendants, Arthur Andersen, the Underwriter Defendants, Saad Nadhir, and their Successors in Interest – against Stephens or Beck on whatsoever theory (whether by way of third- or subsequent-party complaint, cross-claim, separate action or otherwise, and whether under federal or state law) to recover in whole or in part any liability, direct or indirect, of such Person to any Class Member in connection with, arising out of, or that is in any way related to, the Settled Claims;

(k) And adjudge that upon the Effective Date, the Court shall also enter an order that:

(1) Bars and permanently enjoins Stephens and Beck and their Successors in Interest, either directly, representatively, or in any other capacity, from instituting or prosecuting or continuing to prosecute, any action, claim or claim-over –

(2) Dismisses with prejudice and without costs any claims or claims-over asserted or deemed asserted by Stephens or Beck – against Nadhir on whatsoever theory (whether by way of third- or subsequent-party complaint, cross-claim, separate action or otherwise, and whether under federal or state law) to recover in whole or in part any liability, direct or indirect, of Stephens or Beck to any Class Member in connection with, arising out of, or that is in any way related to, the Settled Claims; and

(l) Reserve jurisdiction, without affecting the finality of the Final Judgment entered, over:

(1) implementing, administering and enforcing the Settlement, Stipulation, any confidentiality agreements between the Settling Parties, and any award or distribution of the Settlement Fund or Net Settlement Fund;

(2) disposition of the Settlement Fund or Net Settlement Fund;

(3) this action until this Final Judgment becomes effective and each and every act agreed to be performed pursuant to the Stipulation has been performed;

(4) all parties to this action and the Settlement Class Members for the purpose of enforcing and administering the Stipulation; and

(5) other matters related or ancillary to the foregoing.

2. The term, "Effective Date," as used herein, means the first date by which all of the following have occurred:

a) the Court enters a final judgment substantially in the form agreed to by the Settling Parties;

b) the Court's judgment becomes final, which shall be deemed to occur as follows: (i) if no appeal or review of the Judgment is sought, the day following the expiration of the time to appeal from the judgment (or, if the date for taking an appeal shall be extended, the day after expiration of the extension and all related rights of appeal); or (ii) if an appeal or review of the judgment is sought, the day after the judgment is affirmed or the appeal or review is dismissed or denied and is no longer subject to further judicial review;

c) the State Court enters judgment (the "State Court Judgment") substantially in the form as agreed to by the Settling Parties; and

d) the State Court Judgment becomes final, which shall be deemed to occur as follows: (i) if no appeal or review of the State Court Judgment is sought, the day following the expiration of the time to appeal from the State Court Judgment (or, if the date for taking an appeal shall be extended, the day after expiration of the extension and all related rights of appeal); or (ii) if an appeal or review of the State Court Judgment is sought, the day after the State Court Judgment is affirmed and is no longer subject to further judicial review.

3. The term, "Released Parties" or "Released Party" means Stephens, Beck and each of their heirs, present and former partners, employees, agents, insurers, attorneys, representatives, successors, and assigns, as well as the predecessors and successors, affiliates and subsidiaries and the principals, officers, directors, employees, assigns, insurers, and attorneys of same, and the Insurer (and all of the Insurer's respective predecessors, successors and present, former and future officers, directors, employees, agents, attorneys, stockholders, investors, insurers, reinsurers, underwriters, investment bankers, advisors, affiliates or associates (as defined in SEC Rule 12b-2 promulgated pursuant to the Exchange Act), present, former or future parents or subsidiaries), and each of their present or former attorneys, assigns, representatives, heirs, executors and administrators.

4. If the Settlement is disapproved, canceled or terminated at any time in accordance with the terms of the Stipulation, then the Final Order and the Stipulation shall have no force or effect, except as otherwise provided, and all negotiations, proceedings and statements made in connection therewith shall be without prejudice to the right of any Persons, and the Parties to the Litigation shall be restored to their respective positions existing as of the dates they signed their respective agreement to settle.

NOTICE TO BANKS, BROKERS AND OTHER NOMINEES

If you held any Boston Chicken securities purchased during the Settlement Class Period as nominee for a beneficial owner and did not previously respond to the December 2001 Notice, then, within ten days after you receive this Notice, you must either: (i) send a copy of this Notice and the Proof of Claim and Release by first class mail to all such Persons; or (ii) provide a list of the names and addresses of such Persons to the Claims Administrator:

Boston Chicken Securities Litigation
Claims Administrator
P.O. Box 750
Philadelphia, PA 19105-0750

If you choose to mail the Notice and Proof of Claim and Release yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you (unless in response to the December 2001 Notice you elected to have the mailing performed by you) you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and Proof of Claim and Release and that would not have been incurred but for the obligation to forward the Notice and Proof of Claim and Release, upon submission of appropriate documentation to the Claims Administrator.

ATTORNEYS' FEES AND EXPENSES SOUGHT BY CLASS COUNSEL

Class Counsel have not been paid for their work in this Litigation, which was filed in June 1997, nor have they been reimbursed for advancing the costs of prosecuting this lawsuit. The Prior Notice informed you that Class Counsel would apply to the Court for an award of attorneys' fees not to exceed 30% percent of the Arthur Andersen and Underwriter settlement funds (together with interest earned on those funds) after deducting for expenses, to be paid from those funds. As stated above, the Court has not ruled on Class Counsel's fee request. Class Counsel thus intend to reapply to the Court for that amount. They also intend to apply for an award of attorneys' fees from the present Settlement Fund for, as before, up to 30% percent of that Settlement Fund, together with interest earned on those funds, after deducting for expenses. Class Counsel believe this amount to be fair, reasonable, and adequate as payment for the substantial recovery obtained for the Class, and for Counsel's substantial risk and effort expended in the prosecution of this action undertaken on a purely contingent basis.

Plaintiffs estimate that the amount of fees sought is approximately .3¢ per share of common stock and that the amount of expenses is less than .01¢ per share of common stock, both on an average per-share basis.

The Prior Notice also informed you that Class Counsel intended to seek reimbursement of expenses and disbursements in an amount not to exceed \$800,000 from the Arthur Andersen and Underwriter settlement funds. The actual amount of expenses and disbursement for which Class Counsel sought reimbursement was \$537,462.82. The Court has not yet awarded that reimbursement. Class Counsel intend to reapply for that reimbursement plus some additional expenses relating to the Prior Settlements. They also intend to apply for an amount not to exceed \$20,000 from the current Settlement Fund to reflect their recent expenses and disbursements in pursuing the claims against Stephens, Beck and Nadhir. This amount does not include any costs that the Court may award to Mr. Nadhir against Plaintiffs stemming from the voluntary dismissal of claims against him. As with other costs, Class Counsel intend to request that these costs be deducted from the Settlement Fund. Class Counsel also reserve the right to make additional applications for incidental fees and expenses incurred in administering Class claims. Such awards as the Court may grant will be paid from the Settlement Fund and the Arthur Andersen and Underwriter settlement funds.

THE HEARING ON THE PROPOSED SETTLEMENT

Any member of the Class may appear at the hearing to explain why the proposed Settlement should not be approved and the Litigation should not be dismissed on the merits with prejudice, or to oppose the Plan of Allocation or the application of Class Counsel for attorneys' fees and expenses. But no such person shall be heard unless the objection or opposition is made in writing and is filed, together with copies of all other papers and briefs to be submitted to the Court at the hearing, with the Court no later than May 31, 2006 and showing due proof of service on Lead Counsel for the Class,

Sherrie R. Savett, Esq.
BERGER & MONTAGUE, P.C.
1622 Locust Street
Philadelphia, PA 19103

Steve W. Berman, Esq.
HAGENS BERMAN
SOBOL SHAPIRO LLP
1301 Fifth Avenue, Suite 2900
Seattle, WA 98101

and on Counsel for Mark Stephens and Scott Beck,

Martin Glenn
O'MELVENY & MYERS LLP
Times Square Tower
7 Times Square
New York, NY 10036

Any member of the Class who does not make objection or opposition in the manner provided shall be deemed to have waived all objections and opposition to the fairness, reasonableness and adequacy of the proposed Settlement or to the request of Class Counsel for an award of attorneys' fees and expenses and shall forever be barred from making any such objections in this Litigation. Class Members who wish to appeal any decision with respect to the Settlement, the Plan of Allocation or the award of attorneys' fees and expenses must formally intervene as a party under Rule 24 of the Federal Rules of Civil Procedure.

EXAMINATION OF PAPERS AND INQUIRIES

For a more detailed statement of the matters involved in this Litigation, reference is made to the pleadings, to the Stipulation and to other papers filed in this Litigation, which may be inspected at the Office of the Clerk of the United States District Court, United States Courthouse, 901 19th St., Denver, Colorado 80294, during business hours of each business day.

Inquiries regarding the Litigation and the Settlement should be addressed to either of:

Sherrie R. Savett, Esq.
BERGER & MONTAGUE, P.C.
1622 Locust Street
Philadelphia, PA 19103

Steve W. Berman, Esq.
HAGENS BERMAN
SOBOL SHAPIRO LLP
1301 Fifth Avenue, Suite 2900
Seattle, WA 98101

Inquiries regarding Proofs of Claims should be addressed to the Claims Administrator as follows:

BCI Securities Litigation Claims Administrator
P.O. Box 750
Philadelphia, PA 19105-0750
Telephone: 1-800-335-2852

Communications that convey confidential information, however, should be sent directly to Ms. Savett at Berger & Montague P.C. or Mr. Berman at Hagens Berman Sobol Shapiro LLP.

MECHANICS OF CLAIMS PROCESSING AND TIMING OF DISTRIBUTION

1. It normally takes six months to a year to process all of the claims, and sometimes longer depending upon the number of claims, the number of claims for which additional documentation must be submitted, and the length of time the Court takes to approve final payment.

2. To minimize administration costs and maximize your recovery, you will not receive an acknowledgment of your claim form. If your claim form is deficient, you will receive notice and an opportunity to cure any deficiency. If your claim is rejected by the Claims Administrator and Class Counsel, you will be notified and informed of your right to appeal.

PLEASE DO NOT CALL OR WRITE TO THE COURT.

Dated: April 19, 2006.

BY ORDER OF THE COURT
United States District Court
District of Colorado

GLOSSARY OF TERMS USED IN THIS NOTICE

“Authorized Claimants” means Class Members who submit valid and timely Proofs of Claim and Release in accordance with the Plan of Allocation.

“Bankruptcy Proceedings” means the bankruptcy proceedings commenced by BCI in the United States Bankruptcy Court for the District of Arizona.

“BCI” means Boston Chicken, Inc.

“Class” means the class certified for purposes of this settlement only and comprised of:

All persons who purchased or otherwise acquired the publicly traded debt or equity securities of BCI between February 6, 1995 and October 4, 1998, inclusive. Excluded from the Class are the Defendants, members of the immediate family of Scott A. Beck, Mark W. Stephens or Saad Nadhir, any entity in which any Defendant has a controlling interest, and the legal affiliates, representatives, heirs, controlling persons, successors, and predecessors in interest or assigns of any such excluded party. Specifically included in the Class are any and all mutual or other investment funds established or offered by the Underwriter Defendants or their affiliates, that have acquired the publicly traded debt or equity securities of BCI during the time period noted.

The Class’ named representatives are Albion Financial, L.L.C., Linda Corray, Gordon Gaebler, Ira Graegerman, Leonard Hoffman, Mark and Debbie Katz, Tom Krzesinski, Alf and Marianne Silkeberg, Teachers’ Retirement System of Louisiana and Raymond Wilkes.

“Class Counsel” means two law firms, Hagens Berman Sobol Shapiro LLP, and Berger & Montague, P.C., that have led the prosecution of this lawsuit. This term is used interchangeably, depending on the context, with “Plaintiffs’ Counsel.”

“Class Members” mean all members of the Class except for persons who submit a valid and timely request for exclusion.

“Court” means United States District Court for the District of Colorado at Denver.

“D&O” means the directors and officers of a corporation.

“Effective Date” means the first date by which all of the following have occurred:

- (a) the Court enters the final judgment;
- (b) the Court’s judgment becomes Final;
- (c) the State Court enters the State Court final judgment; and
- (d) the State Court Judgment becomes Final.

“FADs” means a number of purportedly independent marketing affiliates that conducted BCI’s retail business of selling fast food.

“Final” as applied to a court judgment shall be deemed to occur as follows: (i) if no party asks a court to review the judgment, the day following the expiration of the time to appeal from the judgment (or, if the date for taking an appeal shall be extended, the day after expiration of the extension and all related rights of appeal); or (ii) if a party asks a court to review the judgment, the day after the judgment is affirmed or the appeal or review is dismissed or denied and is no longer subject to further judicial review.

“Insurer” means XL Insurance (Bermuda) Ltd, which issued a policy of insurance under which Beck has requested coverage for this Settlement.

“Litigation” means the complaints in the above-captioned action that have been consolidated and docketed as *In Re Boston Chicken, Inc., Securities Litigation*, Civil Action No. 97-WM-1308 (D. Colorado).

“Net Settlement Fund” means the aggregate settlement amount after fees, costs and expenses are deducted.

“Plaintiffs” means Albion Financial, L.L.C., Linda Corray, Gordon Gaebler, Ira Graegerman, Leonard Hoffman, Mark and Debbie Katz, Tom Krzesinski, Alf and Marianne Silkeberg, Teachers’ Retirement System of Louisiana and Raymond Wilkes, who are also the proposed representatives of the Class.

“Plaintiffs’ Counsel” means two law firms, Hagens Berman Sobol Shapiro LLP, and Berger & Montague, P.C., that have led the prosecution of this lawsuit. This term is used interchangeably, depending on the context, with “Class Counsel.”

“Plan of Allocation” means the same plan of allocation employed in the previous settlements for allocating payments and distributions to Authorized Claimants from the Net Settlement Fund. Terms used in the Plan of Allocation are defined therein.

“Plan of Reorganization” means the Third Amended Plan of Reorganization filed on May 3, 2000 by the Plan Trustee and subsequently confirmed in the Bankruptcy Proceedings.

“Plan Trustee” means the bankruptcy plan trustee as that term is defined in the Plan of Reorganization.

“Plan Trustee’s Claims” means the Plan Trustee’s claims brought on behalf of BCI and the BCI Affiliates presently pending in the United States District Court for the District of Arizona as Case No. CIV-01-218-PHX-PGR (Consolidated) against the defendants in this Litigation and additional defendants. These claims do not include any claims possessed by the Class.

“Prior Notice” means the notice of class action and hearing on proposed settlements published and otherwise disseminated to Class Members commencing in December 2001 pertaining to the Class’ prior settlements with Arthur Andersen and the Underwriter Defendants.

“Prior Settlements” means the settlements in this case with (i) Arthur Andersen and (ii) Merrill Lynch & Co., Alex. Brown & Sons, Inc. (now known as BT Alex. Brown, Inc.), and Morgan Stanley & Co. Incorporated. These settlements initially totaled \$19,400,000, but now exceeds \$20,000,000 due to accrued interest.

“Released Parties” or **“Released Party”** means Mark Stephens, Scott Beck and each of their heirs, present and former partners, employees, agents, insurers, attorneys, representatives, successors, and assigns, as well as the predecessors and successors, affiliates and subsidiaries and the principals, officers, directors, employees, assigns, insurers, and attorneys of same, and the Insurer (and all of the Insurer’s respective predecessors, successors and present, former and future officers, directors, employees, agents, attorneys, stockholders, investors, insurers, reinsurers, underwriters, investment bankers, advisors, affiliates or associates (as defined in SEC Rule 12b-2 promulgated pursuant to the Exchange Act), present, former or future parents or subsidiaries), and each of their present or former attorneys, assigns, representatives, heirs, executors and administrators.

“Settlement” means the final settlement and dismissal of all claims against the Settling Defendants, as set forth in the Plaintiffs’ agreement with defendants Mark W. Stephens and Scott A. Beck.

“Settlement Class Period” means the period from February 6, 1995, through and including October 4, 1998.

“Settlement Fund” means the settlement fund in the amount of \$2,179,538.91 in cash that combines the settlement amounts from the Stephens settlement and the Beck settlement, plus interest accrued from date of deposit.

“Settling Defendants” means Mark W. Stephens and Scott A. Beck.

“Settling Parties” means Plaintiffs, Stephens and Beck.

“State Complaint” means two complaints filed in Colorado state court, *Krzesinski v. Boston Chicken, Inc. et al.*, Case No. 97-CV-2295, and *Hoiseth, et al. v. Boston Chicken, Inc. et al.*, Case No. 97-CV-2543, which were consolidated under the *Krzesinski* civil-action number.

“State Court Judgment” means the final judgment dismissing the Class’ claims asserted against Stephens and Beck in the State Complaint substantially in the form as agreed to by the Settling Parties.

“Stipulation” means the stipulation of settlement, including exhibits, defining the terms of the settlements between Plaintiffs and the Settling Defendants and dated July 23, 2004.

“Subject Securities” means BCI common stock, 4.5% Notes, 7.75% Notes and/or the LYONS.

“Trustee Litigation” means the lawsuit asserting the Plan Trustee’s Claims in the United States District Court for the District of Arizona as Case No. CIV-01-218-PHX-PGR (Consolidated).

“Underwriter Defendants” means Merrill Lynch & Co., Alex. Brown & Sons, Inc. (now known as Deutsche Banc Alex. Brown, LLC), Morgan Stanley & Co. Incorporated., and the other members of the underwriting syndicate(s) involved in the offerings challenged in the Litigation.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

In re BOSTON CHICKEN, INC. SECURITIES LITIGATION

X Civil Action No. 97-CV-1308-WDM
: (Consolidated with cases numbered:
: 97-CV-1435, 97-CV-1446, 97-CV-1514, 97-CV-1562,
: 97-CV-1574, 97-CV-1609, 97-CV-1610, 97-CV-1619,
: 97-CV-1644, 97-CV-1680, 97-CV-1701, 97-CV-1711,
: 97-CV-1731, 97-CV-1812, 97-CV-1815, 97-CV-1822,
: 97-CV-1838, 97-CV-1891, 97-CV-1997, 97-CV-2321,
X and 98-CV-498)

PROOF OF CLAIM AND RELEASE

**IF YOU HAVE PREVIOUSLY FILED A VALID PROOF OF CLAIM
AND RELEASE FORM IN 2002, PLEASE DO NOT FILE A NEW CLAIM.**

I. GENERAL INSTRUCTIONS

1. You must take the following steps to share in the Settlement Fund¹ as a Class Member in the federal actions consolidated in *In re Boston Chicken, Inc. Securities Litigation.*, Civil Action No. 97-WM-1308 and the state actions consolidated in *Krzesinski v. Boston Chicken, et al.*, Case No. 97-CV-2295, Jefferson County District Court, State of Colorado (collectively, the "Litigation").

2. ***If you previously submitted a valid and timely Proof of Claim and Release form*** in 2002 in response to a prior notice informing you of the plaintiffs' settlements in this Litigation with defendants Arthur Andersen and the Underwriter Defendants, then you need do nothing in response to this Notice to share in the present Settlement Fund. Your prior Proof of Claim and Release form will be applied to release the current Settling Defendants pursuant to the terms provided herein and your signature on the check that may be issued to you for your share of the Net Settlement Fund will be deemed your affirmation of that release. If your recovery is less than the minimum amount to be issued a check, you will still be deemed to have released the Settling Defendants on the terms provided herein. If there is a claim number printed adjacent to your name and address on the accompanying notice, then you already submitted a valid Proof of Claim and Release form. If you have any question, please contact the Claims Administrator at:

BCI Securities Litigation Claims Administrator
P.O. Box 750
Philadelphia, PA 19105-0750
Telephone: 1-800-335-2852

3. ***If you did not previously submit a valid Proof of Claim and Release***, then you must complete and sign this Proof of Claim and Release. If you fail to submit a completed, signed, and properly addressed Proof of Claim and Release (as set forth below), your claim will be rejected, and you will be precluded from any recovery from the Settlement Fund created in connection with the proposed Settlement of the Litigation.

4. Submitting the Proof of Claim and Release, however, does not assure that you will share in the proceeds of the Settlement in the Litigation.

5. YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE POSTMARKED ON OR BEFORE AUGUST 17, 2006 ADDRESSED AS FOLLOWS:

BCI Securities Litigation Claims Administrator
P.O. Box 750
Philadelphia, PA 19105-0750
Telephone: 1-800-335-2852

6. If you are a member of the Class and you do not timely request exclusion in connection with the proposed Settlement, you will be bound by the terms of any Final Judgment entered in the Litigation, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM AND ANY RELEASE.

7. If you are NOT a Class Member (as defined in the "Notice of Class Action and Hearing on Proposed Settlement") or you do not wish to participate in the Settlement Fund created by the Settlement, DO NOT submit a Proof of Claim and Release form.

¹ All capitalized terms used herein have the same meaning as set forth in the Notice you received with this form and the Stipulation filed with the Court in connection with this Settlement.

8. Use Part I of this form entitled "Claimant Identification" to identify each purchaser of record of Boston Chicken, Inc. ("BCI") common stock or debt securities that form the basis of this claim. If you purchased BCI common stock or debt securities and held the certificate(s) in your name, you are the "beneficial" purchaser as well as the "record" purchaser. If, however, you purchased BCI common stock or debt securities and the certificate(s) were registered in the name of a third party such as a nominee or brokerage firm, you are the beneficial purchaser, and the third party is the record purchaser. THIS CLAIM MUST BE SUBMITTED BY THE ACTUAL BENEFICIAL PURCHASER(S), OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S), OF THE SECURITIES UPON WHICH THIS CLAIM IS BASED.

9. **All joint purchasers must sign this claim.** Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of persons represented by them, and their authority must accompany this claim, and their titles or capacities must be stated. The Social Security (or employer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

10. Use Parts II and III of this form, entitled "Schedule of Transactions in Boston Chicken, Inc. ("BCI") Common Stock" and "Schedule of Transactions in Boston Chicken, Inc. ("BCI") Debt Securities," to supply all required details of your transaction(s). If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

11. Shares "transferred into", "delivered into" or "received into" the claimant's account shall NOT be considered as purchased shares unless claimant submits documents supporting that the original purchase of the shares occurred during the Class Period. Also, shares purchased and subsequently "transferred out" or "delivered out" of claimant's account will NOT be considered part of claimant's claim, as the right to file for those shares belongs to the person or party receiving the shares.

12. Provide all of the requested information with respect to **all** of your purchases and **all** of your sales of BCI common stock or debt securities that took place at any time from February 6, 1995, and October 4, 1998, inclusive (the "Class Period"), whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

13. List each transaction in the Class Period separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day and year of each transaction you list.

14. The date of covering a "short purchase" is deemed to be the date of the purchase of BCI common stock or debt securities. The date of a "short sale" is deemed to be the date of sale of BCI common stock or debt securities.

15. Brokerage commissions and transfer taxes that you paid in connection with your purchase or sale of BCI common stock or debt securities should be excluded in computing the "total purchase price" and "total sales price."

16. Brokers' confirmations or other documentation of your transactions of BCI common stock or debt securities should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

17. The following are Co-Lead Counsel for the Plaintiffs and the Class in this Litigation:

Steve W. Berman, Esq.
HAGENS BERMAN SOBOL SHAPIRO LLP
1301 Fifth Avenue, Suite 2900
Seattle, WA 98101

Sherrie R. Savett, Esq.
BERGER & MONTAGUE, P.C.
1622 Locust Street
Philadelphia, PA 19103

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

	X	Civil Action No. 97-CV-1308-WDM
	:	(Consolidated with cases numbered:
	:	97-CV-1435, 97-CV-1446, 97-CV-1514, 97-CV-1562,
<i>In re</i> BOSTON CHICKEN, INC. SECURITIES LITIGATION	:	97-CV-1574, 97-CV-1609, 97-CV-1610, 97-CV-1619,
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	:	97-CV-1838, 97-CV-1891, 97-CV-1997, 97-CV-2321,
	:	and 98-CV-498)
	X	

PROOF OF CLAIM AND RELEASE

**IF YOU HAVE PREVIOUSLY FILED A VALID PROOF OF CLAIM
AND RELEASE FORM IN 2002, PLEASE DO NOT FILE A NEW CLAIM.**

Must be Postmarked No Later Than: August 17, 2006

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

Beneficial Owner's Name (First, Middle, Last):

If you are a bank or other institution filing a claim on behalf of a third-party, and an account number is needed to identify the claimant for your records, indicate account number here:

--	--

Street Address:

City:

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 State:

--

 Zip Code:

--	--

Foreign Province:

--

 Foreign Country:

--

E-mail Address:

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Social Security Number:

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 OR Employer Identification Number:

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 -

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Area Code	Telephone No. (Day)	Area Code	Telephone No. (Evening)								

Claimant is: Individual Joint Claimant Corporation Trust Other (please identify) _____

Record Owner's Name (if different from beneficial owner listed above):

--

PART II. SCHEDULE OF TRANSACTIONS IN BOSTON CHICKEN, INC. ("BCI"), COMMON STOCK

A. NUMBER OF SHARES OF BCI COMMON STOCK, held as of the close of business on February 5, 1995:

_____.

B. PURCHASES (February 6, 1995 through October 4, 1998, inclusive) OF BCI COMMON STOCK

Trade Date of Purchase Month / Day / Year	Number of Shares Purchased	Purchase Price Per Share	Total Purchase Price ¹ (Exclusive of Commissions and Fees)	Check if Documentation is Enclosed
1. <input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>
2. <input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>
3. <input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>

4. I purchased a total of shares of BCI Common Stock.

C. SALES (February 6, 1995 through October 4, 1998, inclusive) OF BCI COMMON STOCK

Trade Date of Sale Month / Day / Year	Number of Shares Sold	Sale Price Per Share	Total Sale Price ² (Exclusive of Commissions and Fees)	Check if Documentation is Enclosed
1. <input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>
2. <input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>
3. <input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>	<input type="checkbox"/>

4. I sold a total of shares of BCI Common Stock.

If you need additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page and check this box:

D. NUMBER OF SHARES OF BCI COMMON STOCK held as of the close of business on October 4, 1998:

_____.

¹ Without any addition of brokers' commissions or other fees.
² Without any subtraction of brokers' commissions or other fees.

PART IV: RELEASE

As described in the accompanying Notice, as a condition to any recovery from the Settlement Fund of \$2,179,538.91 plus accrued interest, you must read and sign the following releases, ***unless you previously submitted a valid and timely Proof of Claim and Release form*** in 2002 in response to the prior notice informing you of the Plaintiffs' settlements in this Litigation with defendants Arthur Andersen and the Underwriter Defendants. If so, you will be deemed to have released the parties to this Settlement pursuant to the terms below and as provided in the Final Judgment that is expected to be entered approving the Settlement. In addition, your signature on the check that may be issued to you that includes your share of the Settlement Fund will be deemed your individual affirmation of the releases contained herein. If your total recovery is less than \$5, however, you will not receive a check but you will still be deemed to have released the Settling Defendants as provided below.

DEFINITIONS

1. "Settling Defendants" means Scott A. Beck and Mark W. Stephens and the other Released Parties.
2. "Released Parties" or "Released Party" means Stephens, Beck and each of their heirs, present and former partners, employees, agents, insurers, attorneys, representatives, successors, and assigns, as well as the predecessors and successors, affiliates and subsidiaries and the principals, officers, directors, employees, assigns, insurers, and attorneys of same, and the Insurer (and all of the insurers' and Insurer's respective predecessors, successors and present, former and future officers, directors, employees, agents, attorneys, stockholders, investors, insurers, reinsurers, underwriters, investment bankers, advisors, affiliates or associates (as defined in SEC Rule 12b-2 promulgated pursuant to the Exchange Act), present, former or future parents or subsidiaries), and each of their present or former attorneys, assigns, representatives, heirs, executors and administrators.
3. "Insurer" means XL Insurance (Bermuda) Ltd, which issued a policy of insurance under which Beck has requested coverage for this Settlement.

RELEASE OF CLAIMS

A. I hereby fully, finally, unconditionally and forever settle, release, acquit and discharge each and all of Scott A. Beck, Mark W. Stephens and the other Released Parties from and with respect to the Settled Claims, including Unknown Claims, except that nothing herein releases any claim arising out of violation of the Stipulation.

"Settled Claims" means any and all claims, causes of action, complaints, suits, debts, liens, judgment, obligations, liabilities, demands, damages, losses, costs and expenses (including attorneys' fees and expenses) of any kind, character or nature whatsoever, whether class, individual, derivative or direct, accrued or unaccrued, asserted or unasserted, suspected or unsuspected, fixed or contingent, known or unknown, including Unknown Claims as defined below, whether direct or for indemnity or contribution that the Settlement Class may have had or claimed to have had in the past or may have or claim to have in any capacity against Stephens or Beck, or which may hereafter arise out of, relate to, or be connected with any act of commission, omission, transaction, dealings or conduct of Stephens and/or Beck existing or occurring before March 31, 2003 (for Stephens) or May 25, 2004 (for Beck), based on facts in existence, whether known or unknown. "Settled Claims" does not include any claim that is or could be asserted, now or in the future, by the Settlement Class or their Successors in Interest that does not relate (i) to the subject matter of the Litigation, or (ii) to BCI, or (iii) to activities in connection with the purchase or sale of debt or equity securities issued by BCI, or (iv) to the conduct of Stephens and/or Beck as it relates thereto.

"Unknown Claims" means Settled Claims that the Class Members do not know or suspect to exist in their favor at the time of the release of the Released Parties and that, if known by them, might have affected their settlement with Stephens and/or Beck and release of the Released Parties or other action including, but not limited to, the decision not to object to the Settlement. Plaintiffs expressly waive on behalf of themselves and the Class Members any and all rights that they may have under any statute or common-law principle that would limit the effect of the releases to those claims actually known or suspected to exist at the time of execution of the Stipulation, including but not limited to the provisions of Section 1542 of the California Civil Code, to the extent deemed applicable (notwithstanding that the Stipulation does not provide for the application of California law), which provides as follows:

§ 1542. General release; extent

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.

I acknowledge hereby that I may hereafter discover facts in addition to or different from those that I now know or believe to be true with respect to the subject matter of this Release, but I nevertheless, fully and finally and forever settle and release any and all Settled Claims as described above, known or unknown, suspected or unsuspected, contingent or non-contingent, that now exist, may hereafter exist or heretofore have existed with respect to the Released Parties or any Released Party and without regard to the subsequent discovery or existence of such different or additional facts. I hereby expressly waive any and all rights that I may have under any statute or common-law principle that would limit the effect of the foregoing releases to those claims actually known or suspected to exist on July 23, 2004 (the execution date of the Stipulation between Plaintiffs and the Settling Defendants), including the provisions of Section 1542 of the California Civil Code, to the extent deemed applicable (notwithstanding that the Settlement Stipulation does not provide for the application of California law), referenced above.

B. I hereby, completely, voluntarily, knowingly, unconditionally and forever release, remise, acquit and discharge Plaintiffs and Counsel for Plaintiffs and the Class ("Class Counsel") from every and all asserted or potential, separate, joint, individual claims, class claims, or other claims, actions, rights, causes of action, demands, liabilities, losses and damages of every kind and nature, anticipated or unanticipated, direct or indirect, fixed or contingent, known or unknown, under federal, state or common law or any other law or regulation, or in equity, against Plaintiffs and Class Counsel or any of them, that are based upon or arise out of the institution, prosecution, assertion or resolution of the Litigation or the Settled Claims, except that nothing herein releases any claim arising out of violation of the Stipulation.

C. This Release shall be of no force or effect unless and until all conditions to the Settlement as set forth in the Stipulation between Plaintiffs and the Settling Defendants are satisfied, including that the Court approves that Stipulation and the Stipulation becomes effective as to the Settling Defendants on the Effective Date.

D. I hereby warrant and represent that I 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.

E. I certify that I am **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 language that you are not subject to backup withholding in the certification above.

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

I declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct and that this Proof of Claim and Release form was executed this _____ day of _____ in _____
(month) (year) (City, State, Country)

(Sign your name here)

(Type or print your name here)

(Capacity of persons signing, e.g., Beneficial Purchaser, Executor, Administrator, Trustee, Title or Position)

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

Reminder Checklist:

1. Please sign the release and certification on page 17.
2. Remember to attach copies of supporting documentation.
Do not send originals. Documents will not be returned.
3. Do not send originals or copies of stock certificates.
4. If you move, please send us your new address.
5. If you wish to receive confirmation, that your claim was received, please send it by first-class, certified mail, return receipt requested.

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BCI Securities Litigation Claims Administrator
c/o Heffler, Radetich & Saitta L.L.P.
P.O. Box 750
Philadelphia, PA 19105-0750

FIRST-CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE