



of Green Tree securities at various times during the Class Period; (f) the extent to which the various allegedly adverse material facts that Plaintiffs alleged were omitted influenced (if at all) the trading price of Green Tree securities at various times during the Class Period; and (g) whether the statements made or facts allegedly omitted were material or otherwise actionable under the federal securities laws.

Stock Plaintiffs' Counsel and Options Plaintiffs' Counsel have considered the uncertainty of the outcome of the litigation, especially complex litigation such as this, and the risks inherent in trial. There is a substantial risk that the Stock Lead Plaintiffs and the Options Lead Plaintiffs and the respective classes they represent, would not be able to recover any funds from Defendants, even if they successfully pursued their claims through a trial and appeals. There is also a risk that the Stock and Options Plaintiffs and their respective classes might not prevail on all their claims against Defendants. For example, a jury might find that Defendants' conduct did not violate the federal securities laws or that Plaintiffs' evidence did not satisfy to the requisite standard of proof. In addition, there is a substantial risk that continued litigation would not result in any greater recovery due to the bankruptcy of Green Tree's successor-in-interest, Conseco Finance Corporation.

Defendants deny that they are liable to the Plaintiffs or the classes they represent and deny that Plaintiffs or the classes they represent have suffered any damage as a result of any alleged wrongdoing by them.

**Statement of Attorneys' Fees and Costs Sought:** Stock Plaintiffs' Counsel and Options Plaintiffs' Counsel intend to apply for fees of up to thirty-three and one-third percent (33⅓%) of the Gross Settlement Fund, and for reimbursement of expenses incurred in connection with the prosecution of the Actions in the approximate amount of \$600,000 plus interest. The requested fees and expenses, if awarded, would amount to an average of \$0.10 per damaged share in total for fees and expenses. Stock Plaintiffs' Counsel and Options Plaintiffs' Counsel have expended considerable time and effort in the prosecution of the Actions on a contingent fee basis, and have advanced the expenses of the Actions, in the expectation that if they were successful in obtaining a recovery for the classes they would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees.

**Further Information:** Further information regarding the Actions and this Notice may be obtained by contacting one of the Co-Lead Counsel for Stock Lead Plaintiffs, Stacey L. Mills, Esq., Heins Mills & Olson, P.L.C., 3550 IDS Center, 80 South Eighth Street, Minneapolis, Minnesota 55402; Charles S. Hellman, Esq., Milberg Weiss Bershad Hynes & Lerach LLP, One Pennsylvania Plaza, 49th Floor, New York, New York 10119; Robert A. Hoffman, Esq., Barrack, Rodos & Bacine, 3300 Two Commerce Square, 2001 Market Street, Philadelphia, Pennsylvania 19103; and Mark Levine, Esq., Stull Stull & Brody, 6 East 45th Street, New York, New York 10017; or by contacting one of the Co-Lead Counsel for Options Lead Plaintiffs, Patrick V. Dahlstrom, Esq., Pomerantz Haudek Block Grossman & Gross LLP, One North LaSalle Street, Suite 2225, Chicago, Illinois 60602 and Marshall H. Tanick, Esq., Mansfield & Tanick, 1700 Pillsbury Center South, 220 South Sixth Street, Minneapolis, Minnesota 55402.

**Reasons for the Settlement:** The principal reason for the Settlement is the immediate benefit to be provided to the Classes (defined below), balanced against the substantial risk that, as a result of the bankruptcy of Green Tree's successor in interest, Conseco Finance Corporation, continued litigation may not result in any greater recovery. This benefit must also be measured against the risk, as discussed above, that no recovery might be obtained from Defendants after a contested trial, and that any judgment against Defendants would likely be subject to appeals, delaying any recovery, possibly years into the future.

#### **NOTICE OF SETTLEMENT FAIRNESS HEARING**

1. NOTICE IS HEREBY GIVEN, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the District of Minnesota (the "Court") dated August 26, 2003 that a hearing will be held before the Honorable John R. Tunheim, United States District Judge, in Courtroom 13E, U.S. Courthouse, 300 South Fourth Street, Minneapolis, Minnesota 55415, at 10:00 a.m., on November 18, 2003 (the "Settlement Fairness Hearing") to determine whether a proposed settlement (the "Settlement") of the Actions as set forth in the Stipulation of Settlement dated August 19, 2003 (the "Stipulation"), is fair, reasonable and adequate and to consider the proposed Plan of Allocation for the Settlement proceeds and the application for attorneys' fees and reimbursement of expenses by Plaintiffs' Counsel.

#### **NOTICE OF CLASS CERTIFICATION**

2. NOTICE IS ALSO HEREBY GIVEN, that on June 13, 2002, the court certified the Stock Litigation as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedures on behalf of purchasers of Green Tree common stock during the period from July 15, 1995 through January 27, 1998 ("Stock Class"). Excluded from the Stock Class are Green Tree, the Individual Stock Defendants or members of their immediate families, any entities in which any of the foregoing have a controlling interest, and the legal representatives, heirs, successors, predecessors, affiliates or assigns of any of them, and all officers and directors of Green Tree.

3. The Court, by Order dated August 26, 2003, as part of the Settlement, and only for the purposes of the proposed Settlement, has conditionally certified the Options Litigation to proceed as a class action on behalf all persons who purchased and/or sold options in the common stock of Green Tree from July 15, 1995 through January 27, 1998 (the "Options Class" or "Options Settlement Class"). Excluded from the Options Class are Green Tree, the Individual Options Defendants or members of their immediate families, any entities in which any of the foregoing have a controlling interest, and the legal representatives, heirs, successors, predecessors, affiliates or assigns of any of them, and all officers and directors of Green Tree.

#### **DEFINITIONS**

4. "Class Member(s)" means any person or entity included in the Stock Class, as defined in paragraph 2 herein or the Options Settlement Class, as defined in paragraph 3 herein, except for any person or entity that has filed a valid and timely request for exclusion.

5. "Class Period" means the period of time from July 15, 1995 through January 27, 1998.

6. "Defendants" means Green Tree, the Individual Stock Defendants and the Individual Options Defendants.
7. "Individual Stock Defendants" means Lawrence Coss, Robert Potts, Richard Evans, Edward Finn, and Joel Gottesman.
8. "Individual Options Defendants" means Lawrence Coss, Robert Potts, Edward Finn, Robley D. Evans and Joel Gottesman.
9. "Net Settlement Fund" means the Settlement Fund, less all attorneys' fees and expenses awarded by the Court to Plaintiffs' Counsel, Costs of Notice and Administration and taxes on interest earned by the Settlement Fund.
10. "Plaintiffs" means the Stock Lead Plaintiffs, individually and as representatives of the Stock Class and the Options Lead Plaintiffs, individually and as representatives of the Options Settlement Class.
11. "Plaintiffs' Counsel" means Co-Lead Counsel for the Stock Lead Plaintiffs and Co-Lead Counsel for the Options Lead Plaintiffs, as identified above.
12. "Settlement Fund" means the sum of Twelve Million Four Hundred and Fifty Thousand Dollars (\$12,450,000), which has been paid by or on behalf of the Defendants, including any interest thereon.
13. "Settling Parties" means, collectively, each and all of the Defendants, the Stock Lead Plaintiffs, and the Options Lead Plaintiffs.
14. "Released Claims" means any and all manner of actions, causes of actions, suits, obligations, claims, debts, demands, agreements, promises, liabilities, damages, losses, controversies, costs, expenses, and attorneys' fees whatsoever, whether in law or in equity and whether based on any federal law, state law, common law or foreign law, right of action or of any other type or form, foreseen or unforeseen, actual or potential, matured or unmatured, known or unknown, accrued or not accrued which each Lead Plaintiff and Class Member, or any of them, ever had, now have, or can have, or shall or may hereafter have, either individually, or as a member of a class, against any and all Released Persons for, based on, by reason of, or arising from or relating to the conduct alleged in either of the Actions, including but not limited to: (i) claims that arise out of any of the facts, transactions, events, occurrences, acts or omissions mentioned or referred to in the Options Complaint or Stock Complaint or in discovery (formal or informal) in the Actions, or other matters that are or could have been set forth, alleged, embraced or otherwise referred to in the Options Complaint or Stock Complaint, or either Action, which could have been brought against Defendants and which relate to a Class Member's purchase or other acquisition of Green Tree common stock or purchase or sale of a Green Tree Option during the Class Period, including all matters encompassed within the releases and covenants not to sue set forth in ¶8 of the Stipulation, and (ii) claims arising out of the prosecution or defense of the Actions, or either of them, including, but not limited to, claims for fraud in the inducement, negligent misrepresentation, or fraud; except that nothing in the Stipulation releases any claim arising out of the violation or breach of the terms of the Stipulation.
15. "Released Persons" means any and all of the Defendants, and with respect to each of the Defendants, their past and present directors, officers, employees, partners, principals, agents, underwriters, issuers, insurers, co-insurers, reinsurers, shareholders, attorneys, accountants, auditors, banks and investment bankers, advisors, agents, personal and legal representatives, predecessors, successors, indemnitors, indemnitees, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, estates, associates, related and affiliated entities, any entity in which any of them has a controlling interest, any members of their immediate families, any trust of which any of them is the settlor or which is for the benefit of any of them and/or member(s) of their families, and anyone claiming by, through or under any of the foregoing, whether by statute, rule, contract or otherwise.
16. Any term not defined herein shall have the same definition as set forth in the Stipulation.

#### **BACKGROUND OF THE SETTLEMENT**

17. On and after December 2, 1997, numerous actions asserting claims in connection with the purchase or acquisition of the common stock of Green Tree were commenced. On June 29, 1998, the Court consolidated these actions into *In re Green Tree Financial Corp. Stock Litigation*, Master File No. 97-2666 (JRT/RLE) (the "Stock Litigation") and appointed James and June Maguire, Harold Seward, Jeffrey Holland, James Corbett, Tom Fix, Robin S. Newman, John Simmons, Matthew J. Berenda, Sr., Charles Biesanz, James Rakowski, Alice Kluver, Virginia Nasco, Linda Lipman, Bradley and Julie Dunham, Vivian Chill, Ralph J. Cardenas, David Stunda, Robert Fidler and Robert Schauer as Lead Plaintiffs for the Stock Litigation ("Stock Lead Plaintiffs") and designated Heins Mills & Olson, P.L.C., Milberg Weiss Bershad Hynes & Lerach LLP, Barrack, Rodos & Bacine and Stull Stull & Brody as Co-Lead Counsel for the Stock Lead Plaintiffs.
18. On December 3, 1997, an action styled *Stuart I. Friedman, et al. v. Green Tree Financial Corp., et al.*, Civil Action No. 97-2894 (JRT/RLE) asserting claims in connection with the purchase or sale of options in Green Tree common stock was commenced. On June 29, 1998, the court consolidated these claims in *In re Green Tree Financial Corp. Options Litigation*, Master File No. 97-2679 (JRT/RLE) (the "Options Litigation") and appointed June Shapiro, Steven M. Shapiro, Allan J. and Diane Wertheim, Lora Marin, Martin Marin, Mark Weisman, Joshua L. Drucker, Marni Sanford, Larry A. and Susan Chinitz, Andrea Riddle, and Canadamerica Finance, Inc. as Lead Plaintiffs for the Options Litigation ("Options Lead Plaintiffs") and designated Pomerantz Haudek Block Grossman & Gross LLP and Mansfield & Tanick as Co-Lead Counsel for the Options Lead Plaintiffs.
19. On or about August 28, 1998, the Stock Lead Plaintiffs filed a Consolidated Amended Complaint in the Stock Litigation ("Stock Complaint"). In the Stock Complaint, the Stock Lead Plaintiffs asserted: (i) claims against the Individual Stock Defendants and Green Tree pursuant to Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), and Securities Exchange Commission Rule 10b-5, 17 C.F.R. § 240.10b-5, in connection with the purchase or acquisition of Green Tree common stock; and (ii) claims against the Individual Stock Defendants pursuant to Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a), in connection with the purchase or acquisition of Green Tree common stock.
20. On or about September 1, 1998, the Options Lead Plaintiffs filed an Amended and Consolidated Complaint in the Options Litigation ("Options Complaint"). In the Options Complaint, the Options Lead Plaintiffs asserted: (i) claims against Individual Options Defendants and Green Tree pursuant to Section 10(b) of the Exchange Act in connection with the purchase or sale of Green Tree Options; and (ii) claims against the Individual Options Defendants pursuant to Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a), in connection with the purchase or sale of Green Tree Options.
21. Another action, brought by the Florida State Board of Administration ("FSBA") (an entity with authority under Florida law to invest and reinvest Florida Retirement System Trust Funds for the benefit of state employees), which purchased Green Tree

common stock during the period from January 30, 1996 through January 27, 1998, also asserted: (i) claims against Defendants, Green Tree, Lawrence Coss, Robert Potts, and Edward Finn pursuant to Section 10(b) of the Exchange Act; and (ii) claims against Defendants Coss, Potts, and Finn pursuant to Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a) (the "FSBA Complaint").

22. All Defendants moved to dismiss each of the Stock Complaint, the Options Complaint and the FSBA Complaint (the "Complaints"). On August 24, 1999, after full briefing by the parties, the Court granted Defendants' motions to dismiss with prejudice.

23. The Stock Lead Plaintiffs, the Options Lead Plaintiffs and the FSBA filed Notices of Appeal in September 1999. The appeal to the United States Court of Appeals for the Eighth Circuit ("Court of Appeals") was fully briefed and argued. On October 25, 2001, the Court of Appeals reversed the dismissal and remanded each of the actions to the District Court for further proceedings. The Court of Appeals made no findings of fact. It held that, if the Court assumed all of the allegations in the Complaints were true, and interpreting the allegations in the Complaints in the light most favorable to plaintiffs, the Complaints stated claims for relief.

24. On or about April 2, 2002, Green Tree and the Individual Stock Defendants answered the Stock Complaint. On or about June 13, 2002, the Court, upon stipulation of the parties, certified the Stock Litigation as a class action on behalf of a class consisting of all persons, other than Green Tree and the Individual Stock Defendants, any entity in which any of the foregoing have a controlling interest, the legal representatives, heirs, successors, or assigns of any of them, and all officers and directors of Green Tree, who purchased Green Tree common stock during the period from July 15, 1995 through January 27, 1998. Lead Plaintiffs James Maguire, Linda Lipman, Robin Newman, Harold Seward and Virginia Nasco were appointed as representatives of the Stock Class.

25. On April 8, 2002, Green Tree and the Individual Options Defendants moved to dismiss the Options Complaint. After full briefing by the parties, on July 29, 2002, the Court denied the motion to dismiss. The Court made no findings of fact. It held that, if the Court assumed all of the allegations in the Options Complaint were true, and interpreting the allegations in the Options Complaint in the light most favorable to plaintiffs, the Options Complaint stated claims for relief.

26. The Stock Lead Plaintiffs, the Options Lead Plaintiffs, and the Defendants in the Actions commenced negotiations concerning a potential settlement of the Actions.

27. Counsel for the Stock Lead Plaintiffs have analyzed the evidence adduced during pretrial discovery and have researched the applicable law with respect to the claims of the Stock Plaintiffs and the Stock Class against Defendants and the potential defenses thereto. Counsel for the Stock Lead Plaintiffs have conducted an extensive investigation relating the allegations of wrongdoing pertaining to each Defendant in the Stock Litigation. Counsel for the Stock Lead Plaintiffs reviewed hundreds of thousands of documents produced by Green Tree and non-parties and have made additional inquiry as to pertinent facts, including through consultation with accounting and damages experts. As part of this investigation, Counsel for the Stock Lead Plaintiffs served document requests upon Green Tree and the Individual Stock Defendants; reviewed and analyzed Defendants' responses to the document requests; reviewed and analyzed documents produced by Green Tree and analysts who followed Green Tree stock. Counsel for the Stock Lead Plaintiffs also served a subpoena upon Green Tree's auditors, KPMG Peat Marwick, and were in the process of obtaining those documents when a settlement agreement in principle was reached. Counsel also consulted extensively with experts retained to address the accounting issues in the case and the damages the Stock Lead Plaintiffs would seek to prove at a trial of the Stock Litigation.

28. Counsel for the Options Lead Plaintiffs have conducted an extensive investigation relating the allegations of wrongdoing pertaining to each defendant in the Options Litigation. As part of this investigation, Counsel for the Options Lead Plaintiffs investigated the claims following Green Tree's announcement that it was restating its financial statements for 1996, including the review of public records and analysis of Green Tree's financial statements and lending practices with a forensic accountant. The Options Lead Counsel also drafted and served document requests on defendants and reviewed and analyzed thousands of pages of documents produced in response thereto. Counsel also consulted extensively with experts retained to address the accounting issues in the case and the damages the Options Lead Plaintiffs would seek to prove at a trial of the Options Litigation.

29. Plaintiffs, by their counsel, have conducted discussions and arm's-length negotiations with Counsel for Defendants with respect to a compromise and settlement of the Actions with a view to settling the issues in dispute and achieving the best relief possible consistent with the interests of the Classes, and the Settling Parties, by their counsel, participated over multiple days in a mediation before an experienced mediator. The proposed Settlement described herein was the outcome of those meetings and discussions.

30. Concurrent with the Settlement reached by the Stock Lead Plaintiffs and the Options Lead Plaintiffs, FSBA has reached a separate settlement of its claims against Defendants. That settlement amount is \$550,000 and is for the benefit of FSBA only. FSBA represented to Plaintiffs' Counsel that its estimated damages arising from its purchases of Green Tree stock were more than \$11 million. Because it has reached a separate settlement of its claims, FSBA shall not be permitted to recover any proceeds of the settlement described herein.

31. On December 17, 2002, Conseco, Inc. and its subsidiary, Conseco Finance Corporation (the successor-in-interest to Green Tree) filed for bankruptcy pursuant to Chapter 11 of the United States bankruptcy code.

#### **BENEFITS OF SETTLEMENT**

32. Counsel for the Plaintiffs believe that the Settlement provides an excellent monetary recovery based on the claims asserted, the evidence developed and the damages that might be recoverable in the Actions, especially in the face of the bankruptcy of Green Tree's successor-in-interest, Conseco Finance Corporation. Plaintiffs recognize the uncertainty of the outcome of any litigation, especially complex litigation such as this, and the difficulties and risks inherent in trial. The benefit of an immediate recovery must be compared to the risk that no recovery might be obtained from Defendants after a contested trial, or that any judgment against Defendants would likely be subject to appeals, possibly reversing the judgment or delaying recovery years into the future. In addition, the bankruptcy of Green Tree's successor-in-interest, Conseco Finance Corporation, has created a substantial risk that continued litigation would not result in any additional recovery. All things considered, Plaintiffs' Counsel believe the Settlement to be fair, reasonable and adequate, and in the best interests of the Class Members.

The amount of damages, if any, that Plaintiffs could prove at trial has been a matter of serious dispute, and the proposed loss amount formula for distributing the Settlement proceeds does not constitute a finding, admission or concession that provable damages could be measured by that formula. No determination has been made by the Court as to liability or the amount, if any, of damages suffered by the Classes, nor on the proper measure of any such damages. The determination of damages, like the determination of liability, is a complicated and uncertain process, typically involving conflicting expert opinions. During the course of the litigation, Defendants, in addition to denying any liability, disputed that Plaintiffs and the Classes were damaged by any wrongful conduct on the part of Defendants. The Settlement provides an immediate and substantial cash benefit and avoids the risks that liability or damages might not have been proven at trial.

33. The Court has not determined the merits of the Plaintiffs' claims or the Defendants' defenses. This Notice does not imply that there has been or would be any finding of violation of the law or that recovery could be had in any amount if the Actions were not settled.

#### DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

34. Defendants believe they have defenses to the claims against them and do not, by agreeing to the proposed Settlement, admit or concede any liability with regard to the merits of any of claims asserted in the Actions. Defendants have concluded that, based upon their consideration of a number of factors, including the risks inherent in any litigation, especially in complex litigation such as the Actions, it is desirable that the Actions be settled upon the terms set forth in the Stipulation between the parties in order to avoid the expense, inconvenience and distraction of further legal proceedings and put to rest the Released Claims. The Defendants have denied and continue to deny each and all of the claims and contentions made by Plaintiffs in these Actions. The Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in these Actions. The Defendants also have denied and continue to deny, *inter alia*, the allegations that Plaintiffs or Class Members have suffered damages or that the price of Green Tree securities was artificially inflated because of the alleged misrepresentations or omissions.

#### TERMS OF THE SETTLEMENT

35. In full and complete settlement of the claims which have or could have been asserted in these Actions against Defendants, and subject to the terms and conditions of the Stipulation between the parties dated August 19, 2003, St. Paul Mercury Insurance Company, on behalf of Green Tree and the Individual Defendants, has paid \$12,450,000 in cash into an escrow account, which has been earning and will continue to earn interest for the benefit of Plaintiffs and other Class Members. In exchange for such payment, Plaintiffs and Class Members are releasing and discharging the Released Persons from any and all Released Claims.

36. A portion of the settlement proceeds will be used for certain administrative expenses, including costs of printing and mailing this Notice, the cost of identifying Class Members, the cost of publishing a newspaper notice, payment of any taxes assessed against the Settlement Fund and costs associated with the processing of claims submitted and to pay for attorneys' fees, expenses and interest thereon awarded to Plaintiffs' Counsel. The balance of the Settlement Fund (the "Net Settlement Fund") will be distributed to Class Members who submit valid and timely Proof of Claim and Release forms, according to the Plan of Allocation described below.

#### PLAN OF ALLOCATION

37. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim."

38. The following proposed Plan of Allocation reflects Plaintiffs' contention that the price of Green Tree common stock was increasingly inflated artificially by materially misleading statements and omissions made over the period from July 15, 1995 through November 13, 1997, at which point disclosures were made which only partially corrected the materially misleading statements and removed a significant portion of the alleged artificial inflation, but that the price of Green Tree common stock thereafter continued to be artificially inflated until January 27, 1998, the end of the Class Period when the truth came out.

39. An Authorized Claimant's "Recognized Claim" shall mean the amount determined in accordance with the following:

##### (a) Common Stock Purchases:

- (i) For each share of Green Tree common stock purchased on the open market during the Class Period which an Authorized Claimant held as of the close of trading on April 24, 1998 (90 days following the end of the Class Period), the "Recognized Claim" from such purchase shall be equal to the **lesser of: (a)** the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of purchase of the Green Tree common stock (as shown on Table A set forth below), **or (b)** the difference, if a loss, between (x) the purchase price paid (including commissions, etc.), minus (y) \$28.29 per share (the average closing price of Green Tree during the 90 day period following the end of the Class Period). If either (a) or (b) above is a gain, then no loss shall be recognized on the transaction.
- (ii) For each share of Green Tree common stock purchased on the open market during the Class Period which an Authorized Claimant sold at a loss prior to the close of trading on April 24, 1998, the "Recognized Claim" from such purchase shall be equal to the **lesser of (a)** the difference, if a loss, between (x) the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of purchase of the Green Tree common stock during the Class Period, minus (y) the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of sale of the Green Tree common stock, **or (b)** the difference, if a loss, between (x) the purchase price paid (including commissions, etc.), minus (y) the proceeds received on sale (net of commissions, etc.). If either (a) or (b) above is a gain, then no loss shall be recognized on the transaction.

**(b) Call Options:**

**Call Option Purchases:**

- (i) For Green Tree call options purchased (opening position) during the Class Period and not exercised, an Authorized Claimant's "Recognized Claim" from such purchase shall be **the lesser of: (a)** 50%<sup>1</sup> of the difference, if a loss, between (x) the amount paid for the call options during the Class Period (including brokerage commissions and transaction charges), minus (y) if they were sold, the sum for which said call options were subsequently sold at a loss (net of brokerage commissions and transaction charges), or if they expired worthless \$0.00; **or (b)** the difference, if a loss, between (x) the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of purchase of the Green Tree Call Option minus (y) the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the subsequent date of sale of the Green Tree Call Option (or on the expiration date, for Call Options that the Authorized Claimant continued to own at the expiration) multiplied by the number of shares covered by the Call Option. If either (a) or (b) is a gain, then no loss shall be recognized on the transaction.
- (ii) For Green Tree call options purchased (opening position) during the Class Period that were exercised by the Authorized Claimant, an Authorized Claimant's "Recognized Claim" from such purchase shall be calculated as if it was a purchase of Green Tree Common Stock on the date of the purchase of the call option, with the purchase price paid being the total of (x) 50% of the amount paid for the call option, plus (y) the strike price paid times the number of shares purchased.

**Call Option Sales:**

- (i) For Green Tree call options sold (written) during the Class Period and not exercised against the Authorized Claimant, an Authorized Claimant's "Recognized Claim" from such sale shall be **the lesser of: (a)** the difference, if a loss, between (x) the sum for which said call options were repurchased (covered)<sup>2</sup> at a loss (including brokerage commissions and transaction charges), minus (y) the amount received for writing the call options during the Class Period (net of brokerage commissions and transaction charges) **or (b)** the difference, if a loss, between (x) the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the repurchase (cover) of the Green Tree Call Option, minus (y) the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of sale (writing) of the Green Tree Call Option, multiplied by the number of shares covered by the Call Option. If either (a) or (b) is a gain, then no loss shall be recognized on the transaction.
- (ii) For Green Tree Call Options sold (written) during the Class Period and that were exercised against the Authorized Claimant, an Authorized Claimant's "Recognized Claim" shall be the difference, if a loss, between (x) the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of exercise, multiplied by the number of shares covered by the exercise of the Call Option, minus (y) the amount received for writing the Call Option during the Class Period (net of brokerage commissions and transaction charges).

**(c) Put Options:**

**Put Option Sales:**

- (i) For Green Tree Put Options sold (written) during the Class Period, which WERE NOT exercised against the Authorized Claimant, an Authorized Claimant's "Recognized Claim" from such sale shall be the **lesser of: (a)** the difference, if a loss, between (x) the sum for which said Put Options were repurchased (including brokerage commissions and transaction charges), minus (y) the amount received for writing the Put Options during the Class Period (net of brokerage commissions and transaction charges); **or (b)** the difference, if a loss, between (x) the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of repurchase of the Green Tree Put Option, minus, (y) the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of sale (writing) of the Green Tree Put Option, multiplied by the number of shares covered by the Put Option. If either (a) or (b) is a gain, then no loss shall be recognized on the transaction. No loss shall be recognized with respect to any Put Option written by the Authorized Claimant which expired unexercised.
- (ii) For Green Tree Put Options sold (written) during the Class Period, which WERE exercised against the Authorized Claimant, an Authorized Claimant's "Recognized Claim" from such sale shall be the **lesser of: (a)** the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of the sale (writing) of the Put Option, multiplied by the number of shares covered by the exercise of the Put Option, **or (b)** the amount of "Recognized Claim" that would be calculated as if it was a purchase of Green Tree Common Stock on the date of the sale of the Put Option, with the "purchase price paid" being the strike price paid times the number of shares purchased, less the amount received on the sale of the Put Option.

**Put Option Purchases:**

- (i) For Green Tree Put Options purchased (opening position) during the Class Period and not exercised, an Authorized Claimant's "Recognized Claim" from such purchase shall be the **lesser of: (a)** 50%<sup>3</sup> of the difference, if a loss, between (x) the sum for which said Put Options were purchased (including brokerage commissions and transaction charges), minus (y) the amount received on the sale of the Put Options during the Class Period (net of brokerage commissions and transaction charges), or if they expired worthless \$0.00, **or (b)** the difference, if a loss, between (x) the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the date of sale (closing) of the Green Tree Put Option, minus (y) the "Plaintiffs' Contention Of The Estimated Inflation Per Share" on the purchase (opening position) of the Green Tree Put Option, multiplied by the number of shares covered by the Put Option. If either (a) or (b) is a gain, then no loss shall be recognized on the transaction.
- (ii) For Green Tree put options purchased (opening position) during the Class Period and that were exercised by the Authorized Claimant, an Authorized Claimant shall have no "Recognized Claim."

<sup>1</sup> This discount is intended to reflect the fact that a purchaser of a Call Option pays a time premium for the option regardless of the price of the underlying common stock.

<sup>2</sup> For Green Tree call options written during the Class Period that expired worthless an Authorized Claimant shall have no "Recognized Claim."

<sup>3</sup> This discount is intended to reflect the fact that a purchaser of a Put Option pays a time premium for the option regardless of the price of the underlying common stock.

40. Annexed hereto as Table A is a table setting forth "Plaintiffs' Contention Of The Estimated Inflation Per Share" on a daily basis during the time period, July 15, 1995 through April 24, 1998.

41. Transactions resulting in a gain shall not be included. In the event a Class Member has more than one purchase or sale of Green Tree securities, all purchases and sales shall be matched on a First In First Out ("FIFO") basis. A purchase or sale of Green Tree securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, devise or operation of law of Green Tree securities during the Class Period shall not be deemed a purchase or sale of Green Tree securities for the calculation of an Authorized Claimant's Recognized Claim nor shall it be deemed an assignment of any claim relating to the purchase of such shares unless specifically provided in the instrument of gift or assignment. The receipt of Green Tree securities during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Green Tree securities. 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.

42. Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her or its Recognized Claim compared to the Total Recognized Claims of all accepted claimants. Each Authorized Claimant shall be paid an amount determined by multiplying his, her or its "Recognized Claim" by a fraction the numerator of which shall be the Net Settlement Fund and the denominator of which shall be the Total Recognized Claims of all Authorized Claimants.

43. Class Members who do not file acceptable Proofs of Claim will not share in the settlement proceeds. Class Members who do not file acceptable Proofs of Claim will nevertheless be bound by the judgment and the Settlement.

44. The amount of a Class Member's Recognized Claim as computed above is not intended to be an estimate of what a Class Member might have been able to recover at trial, and it is not an estimate of the amount that will be paid pursuant to the Settlement. The computation is only a method to weigh Class Members' claims against one another. Each Authorized Claimant will receive a *pro rata* share of the Net Settlement Fund based on his, her or its Recognized Claim.

45. Checks will be distributed to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of uncashed checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed to Class Members who have cashed their checks and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If after six months after such re-distribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Lead Counsel.

46. The Court has reserved jurisdiction of all matters relating to the Settlement, including the distribution of the Net Settlement Fund. No person shall have any claim against Plaintiffs' Counsel or the Claims Administrator or other agent designated by Lead Counsel based on the distributions made substantially in accordance with the Stipulation, the Plan of Allocation described herein, or further orders of the Court.

47. **Class Members who do not submit acceptable Proofs of Claim will not share in the settlement proceeds.** In order to be eligible to receive any distribution from the Net Settlement Fund, you must complete and sign the attached Proof of Claim and Release form and send it by first-class mail postmarked on or before **October 24, 2003** addressed as follows:

In re Green Tree Securities Litigation  
c/o Heffler, Radetich & Saitta L.L.P., Claims Administrator  
Post Office Box 310  
Philadelphia, PA 19105-0310

#### **EXCLUSION FROM THE CLASSES**

48. You may request to be excluded from the Stock Class and/or the Options Settlement Class. To do so, you must mail a written request stating that you wish to be excluded from the Stock Class or the Options Settlement Class to:

In re Green Tree Securities Litigation  
c/o Heffler, Radetich & Saitta L.L.P., Claims Administrator  
Post Office Box 310  
Philadelphia, PA 19105-0310

49. The request for exclusion must include: (a) the name of the Action(s) from which you are requesting exclusion (*i.e.*, In re Green Tree Financial Corporation Stock Litigation, Master File No. 97-2666 and/or In re Green Tree Financial Corporation Options Litigation, Master File No. 97-2679); (b) your name, address, and daytime telephone number; (c) a listing of all your purchases and sales of Green Tree common stock or options, including the dates of purchase or sale, the number of shares or options purchased or sold and the price paid or received per share or option; and (d) a statement that you wish to be excluded from the applicable Class(es). **YOUR REQUEST FOR EXCLUSION FROM THE CLASS(ES) MUST BE POSTMARKED ON OR BEFORE OCTOBER 24, 2003.** If you submit a valid and timely request for exclusion, you will have no rights under the Settlement; you will not share in the distribution of the Net Settlement Fund; and you will not be bound by the Stipulation or the Order and Final Judgment. The request for exclusion will not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court.

#### **DISMISSAL AND RELEASES**

50. If the proposed Settlement is approved, the Court will enter an Order and Final Judgment. The Order and Final Judgment will dismiss the Released Claims with prejudice as to all Released Persons. The Order and Final Judgment will also dismiss with prejudice the Actions as to all Defendants.

51. The Order and Final Judgment will provide that all Class Members who do not validly and timely request to be excluded from the Stock Class and/or the Options Settlement Class shall be deemed to have released and forever discharged all Released Claims (to the extent Class Members have such claims) against all Released Persons, and will bar all Class Members from instituting any action asserting claims arising out of and/or based upon the purchase of Green Tree common stock or the purchase and/or sale of options in Green Tree common stock during the Class Period and the circumstances underlying, or which could have been asserted in the Actions against any of the Defendants.

#### **APPLICATION FOR FEES AND EXPENSES**

52. At the Settlement Fairness Hearing or at such other time as the Court may direct, Plaintiffs' Counsel intend to apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount not greater than one third (33⅓%) of the Settlement Fund and for reimbursement of their expenses up to a maximum amount of \$600,000, plus interest at the same rate as earned by the Settlement Fund. Class Members are not personally liable for any such fees or expenses. To date, Plaintiffs' Counsel have not received any payment for their services in conducting these Actions on behalf of Plaintiffs and Class Members, nor have they been reimbursed for their out-of-pocket expenses. The fee requested by Plaintiffs' Counsel would compensate Plaintiffs' Counsel for their efforts in achieving the Settlement Fund for Class Members' benefit and for their risk in undertaking this representation on a contingency basis. The fee requested is within the range of fees awarded to plaintiffs' counsel under similar circumstances in litigation of this type.

#### **CONDITIONS FOR SETTLEMENT**

53. The Settlement is conditioned upon the occurrence of certain events described in the Stipulation. Those events include, among other things: (a) entry of the Order and Final Judgment by the Court, as provided for in the Stipulation; and (b) expiration of the time to appeal from or alter or amend the Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation might be terminated, and, if terminated, will become null and void, and the pre-Settlement status of the Actions shall be restored.

#### **THE RIGHT TO BE HEARD AT THE HEARING**

54. Any Class Member who has not submitted a valid request for exclusion from the Stock Class and/or the Options Settlement Class and who objects to any aspect of the Settlement, the Plan of Allocation, and/or the application for attorneys' fees, costs and expenses, may appear and be heard to the extent permitted by the Court at the Settlement Hearing. Attendance at the hearing is not necessary; however, persons wishing to be heard orally in opposition to the approval of the Settlement, the Plan of Allocation, and/or the request for attorneys' fees, costs and expenses are required to indicate in their written objection their intention to appear at the hearing. Persons who intend to object to the Settlement, the Plan of Allocation, and/or the application for attorneys' fees, costs and expenses and desire to present evidence at the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. Any such person must submit a written notice of objection and any supporting papers or documentation must be received on or before **NOVEMBER 4, 2003** by each of the following:

CLERK OF THE COURT  
UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA  
202 U.S. Courthouse  
300 South Fourth Street  
Minneapolis, MN 55415

HEINS MILLS & OLSON, P.L.C.  
Samuel D. Heins, Esq.  
Stacey L. Mills, Esq.  
Daniel C. Hedlund, Esq.  
3550 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402

MILBERG WEISS BERSHAD HYNES & LERACH LLP  
David J. Bershad, Esq.  
Jerome M. Congress, Esq.  
Charles S. Hellman, Esq.  
One Pennsylvania Plaza, 49th Floor  
New York, NY 10119

#### **CO-LEAD COUNSEL FOR STOCK LEAD PLAINTIFFS AND THE STOCK CLASS**

POMERANTZ HAUDEK BLOCK GROSSMAN & GROSS LLP  
Patrick V. Dahlstrom, Esq.  
One North LaSalle Street  
Suite 2225  
Chicago, IL 60602

#### **CO-LEAD COUNSEL FOR OPTION LEAD PLAINTIFFS AND THE OPTION CLASS**

BARRACK, RODOS & BACINE  
Leonard Barrack, Esq.  
Gerald J. Rodos, Esq.  
Robert A. Hoffman, Esq.  
3300 Two Commerce Square  
2001 Market Street  
Philadelphia, PA 19103

STULL STULL & BRODY  
Jules Brody, Esq.  
Mark Levine, Esq.  
6 East 45th Street  
New York, NY 10017

MANSFIELD & TANICK  
Marshall H. Tanick, Esq.  
1700 Pillsbury Center South  
220 South Sixth Street  
Minneapolis, MN 55402

GREGORY P. JOSEPH LAW OFFICES LLC  
Gregory P. Joseph, Esq.  
805 Third Avenue  
New York, NY 10022

DORSEY & WHITNEY LLP  
Peter W. Carter, Esq.  
50 South Sixth Street  
Minneapolis, MN 55402

**COUNSEL FOR DEFENDANTS**

55. The notice of objection must demonstrate the objecting person's membership in the Stock Class and/or the Options Settlement Class, including the number of Green Tree securities purchased and sold during the Class Period, and contain a statement of the reasons for the objection. Unless otherwise ordered by the Court, any Class Member who does not timely file and serve a written objection waives the objection. Only Class Members who have submitted written notices of objections in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

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

56. If you purchased any Green Tree common stock or purchased and/or sold options in Green Tree common stock during the Class Period as nominee for a beneficial owner, then within ten (10) days after you receive this Notice, you must either: (a) send a copy of this Notice and the accompanying Proof of Claim and Release by first-class mail to all such beneficial owners; or (b) provide a list of the names and addresses of such beneficial owners to the Claims Administrator:

In re Green Tree Securities Litigation  
c/o Heffler, Radetich & Saitta L.L.P., Claims Administrator  
Post Office Box 310  
Philadelphia, PA 19105-0310

57. 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.

58. Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for reasonable administrative costs actually incurred upon submission of proper supporting documentation to the Claims Administrator.

**EXAMINATION OF PAPERS**

59. This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters you may review the pleadings, Stipulation, Orders and other papers filed with the Court, which may be inspected during normal business hours, at the Office of the Clerk of the Court of the United States District Court for the District of Minnesota, 202 United States Courthouse, 300 South Fourth Street, Minneapolis, Minnesota 55415.

60. If you have any questions about any matter contained in this Notice, you may contact Plaintiffs' Counsel:

HEINS MILLS & OLSON, P.L.C.  
Samuel D. Heins, Esq.  
Stacey L. Mills, Esq.  
Daniel C. Hedlund, Esq.  
3550 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402  
(612) 338-4605

BARRACK, RODOS & BACINE  
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(215) 963-0600

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**CO-LEAD COUNSEL FOR STOCK LEAD PLAINTIFFS AND THE STOCK CLASS**

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(612) 339-4295

**CO-LEAD COUNSEL FOR OPTIONS LEAD PLAINTIFFS AND THE OPTION CLASS**

**PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.**

Dated: August 26, 2003

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

TABLE A

PLAINTIFFS' CONTENTION OF THE ESTIMATED INFLATION PER SHARE

<u>PURCHASE OR SALE PERIOD</u>	<u>ARTIFICIAL INFLATION</u>
July 15, 1995-September 30, 1995	\$0.35 per share
October 1, 1995-December 31, 1995	\$1.25 per share
January 1, 1996-March 31, 1996	\$2.00 per share
April 1, 1996-June 30, 1996	\$2.75 per share
July 1, 1996-September 30, 1996	\$3.50 per share
October 1, 1996-December 31, 1996	\$4.25 per share
January 1, 1997-March 31, 1997	\$5.00 per share
April 1, 1997-June 30, 1997	\$5.75 per share
July 1, 1997-September 30, 1997	\$6.50 per share
October 1, 1997-November 13, 1997	\$7.25 per share
November 14, 1997-January 26, 1998	\$2.75 per share
January 27, 1998-April 24, 1998	\$0.00 per share



Released Claims and that releases the Released Claims against the Released Persons, including those that are subject to pending lawsuits or arbitrations.

10. **You are required to submit genuine and sufficient documentation for all your transactions and relevant positions in the Subject Securities during the period from July 15, 1995 through April 24, 1998.** This documentation may be photocopies of stockbrokers' confirmation slips; stockbrokers' monthly statements (reflecting your opening and closing balances for the months specified on the claim form, and in which transactions during the Class Period occurred); schedules attached to tax filings; or signed letters from brokers, on their letterheads, giving all the information that would be found on a confirmation slip. IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT CONTEMPORANEOUS DOCUMENTS FROM YOUR BROKER OR TAX ADVISOR. FAILURE TO SUPPLY THIS DOCUMENTATION COULD RESULT IN REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL STOCK CERTIFICATES.

11. All joint purchasers and/or sellers must sign this Proof of Claim and Release.

12. Agents, executors, administrators, guardians, and trustees must complete and sign the Proof of Claim and Release on behalf of persons represented by them and they must:

- (a) expressly state the capacity in which they are acting;
- (b) identify the name, account number, Social Security Number (or Taxpayer Identification Number), address and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the Subject Securities; and
- (c) furnish herewith evidence of their current authority to bind the person or entity on whose behalf they are acting to the Proof of Claim and Release. (Authority to complete and sign a Proof of Claim and Release cannot be established by stockbrokers only demonstrating that they have discretionary authority to trade stock in another's accounts.)

13. By submitting a signed Proof of Claim and Release, you will be swearing that you:

- (a) own(ed) the Subject Securities you have listed in the Proof of Claim and Release; or
- (b) are expressly authorized to act on behalf of the owner thereof.

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



9. At the close of business on January 27, 1998, I still owned \_\_\_\_\_ shares of Green Tree common stock (if none, write "0").

10. Proof of closing position enclosed? Yes \_\_\_\_\_ No \_\_\_\_\_.

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

**B. PURCHASES OF GREEN TREE CALL OPTIONS DURING THE CLASS PERIOD**

1. At the close of business on July 14, 1995, I owned \_\_\_\_\_ Green Tree Call Option contracts (if none, write "0").

2. Proof of opening position enclosed? Yes \_\_\_\_\_ No \_\_\_\_\_.

3. I made the following purchases of Green Tree Call Options during the period from July 15, 1995 through January 27, 1998. (Persons who received Green Tree Options during the Class Period other than by purchase are not eligible to file claims for those transactions):

Trade Date(s) of Purchase (List Chronologically) Month / Day / Year	Month/Strike Price of Call Options Purchased	Number of Call Option Contracts	Purchase Price Per Contract	Total Purchase Price (including commissions, taxes & fees)
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"/>
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"/>
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"/>
4. <input type="text"/> - <input type="text"/> - <input type="text"/>	____/____	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>

4. Total Call Options Purchased \_\_\_\_\_.

5. Proof of purchases enclosed? Yes \_\_\_\_\_ No \_\_\_\_\_.

**SALES OF GREEN TREE CALL OPTIONS**

6. I made the following sales of Green Tree Call Options during the period from July 15, 1995 through April 24, 1998:

Trade Date(s) of Sale (List Chronologically) Month / Day / Year	Month/Strike Price of Call Options Sold	Number of Call Option Contracts	Sale Price Per Contract	Total Sale Price (net of commissions, taxes & fees)
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"/>
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"/>
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"/>
4. <input type="text"/> - <input type="text"/> - <input type="text"/>	____/____	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>	\$ <input type="text"/> . <input type="text"/>

7. Total Call Options Sold \_\_\_\_\_.

8. Proof of sales enclosed? Yes \_\_\_\_\_ No \_\_\_\_\_.

9. At the close of business on January 27, 1998, I still owned \_\_\_\_\_ Green Tree Call Option contracts (if none, write "0").

10. Proof of closing position enclosed? Yes \_\_\_\_\_ No \_\_\_\_\_.

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

**C. PURCHASES OF GREEN TREE PUT OPTIONS DURING THE CLASS PERIOD**

- At the close of business on July 14, 1995, I owned \_\_\_\_\_ Green Tree Put Option contracts (if none, write "0").
- Proof of opening position enclosed? Yes \_\_\_\_\_ No \_\_\_\_\_.
- I made the following purchases of Green Tree Put Options during the period from July 15, 1995 through January 27, 1998. (Persons who received Green Tree Options during the Class Period other than by purchase are not eligible to file claims for those transactions):

Trade Date(s) of Purchase (List Chronologically) Month / Day / Year	Month/Strike Price of Put Options Purchased	Number of Put Option Contracts	Purchase Price Per Contract	Total Purchase Price (including commissions, taxes & fees)
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="text"/> . <input type="text"/>
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="text"/> . <input type="text"/>
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="text"/> . <input type="text"/>
4. <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="text"/> . <input type="text"/>

- Total Put Options Purchased \_\_\_\_\_.
- Proof of purchases enclosed? Yes \_\_\_\_\_ No \_\_\_\_\_.

**SALES OF GREEN TREE PUT OPTIONS**

6. I made the following sales of Green Tree Put Options during the period from July 15, 1995 through April 24, 1998:

Trade Date(s) of Sale (List Chronologically) Month / Day / Year	Month/Strike Price of Put Options Sold	Number of Put Option Contracts	Sale Price Per Contract	Total Sale Price (net of commissions, taxes & fees)
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="text"/> . <input type="text"/>
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="text"/> . <input type="text"/>
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="text"/> . <input type="text"/>
4. <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="text"/> . <input type="text"/>

- Total Put Options Sold \_\_\_\_\_.
  - Proof of sales enclosed? Yes \_\_\_\_\_ No \_\_\_\_\_.
  - At the close of business on January 27, 1998, I still owned \_\_\_\_\_ Green Tree Put Option contracts (if none, write "0").
  - Proof of closing position enclosed? Yes \_\_\_\_\_ No \_\_\_\_\_.
- If you require additional space, attach extra schedules in the same format as above and check here . Sign and print your name on each additional page.

**YOU MUST READ THE FOLLOWING RELEASE AND SIGN ON PAGE 17.**

**RELEASE OF CLAIMS**

**Release**

- By submitting this Proof of Claim and Release, I state that I believe in good faith that I am a Class Member as defined above and in the Notice Of Pendency Of Class Actions, Proposed Settlement And Settlement Hearing, And Attorneys' Fee Petition And Right To Share In Settlement Fund (the "Notice"), or am acting for such person; that I have read and understand the Notice; that I have not excluded myself from the Class; that I believe that I am entitled to receive a share of the Net Settlement Fund; and that I elect to participate in the proposed Settlement described in the Notice.
- I have set forth where requested above all relevant information with respect to each purchase of the Subject Securities during the Class Period, and each sale, if any, of such Subject Securities.
- I have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, relevant portions of my tax returns or other documents evidencing each purchase, sale or retention of the Subject Securities in support of my claim. IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT CONTEMPORANEOUS DOCUMENTS FROM YOUR BROKER OR TAX ADVISOR BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.
- I understand that the information contained in this Proof of Claim and Release is subject to such verification as the Court may direct, and I agree to cooperate in any such verification. I further agree and understand that if the proposed Settlement is approved by the Court and becomes effective, all claims, demands or causes of action against any or all Defendants, and certain other persons or entities further identified below ("Released Persons"), which have been or could have been asserted relating to the subject matter of the Action will be satisfied, discharged and extinguished forever ("Released Claims").
- Upon the occurrence of the Effective Date (as defined below) my signature hereto will constitute a full and complete release, remise and discharge by me or, if I am submitting this Proof of Claim and Release on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by my, its, his, her or their heirs, executors, administrators, successors, assigns, guardians and representatives, of each of the "Released Persons" of all "Released Claims," as defined below and in the Notice.

6. “Released Persons” means any and all of the Defendants, and with respect to each of the Defendants, their past and present directors, officers, employees, partners, principals, agents, underwriters, issuers, insurers, co-insurers, reinsurers, shareholders, attorneys, accountants, auditors, banks and investment bankers, advisors, agents, personal and legal representatives, predecessors, successors, indemnitors, indemnitees, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, estates, associates, related and affiliated entities, any entity in which any of them has a controlling interest, any members of their immediate families, any trust of which any of them is the settlor or which is for the benefit of any of them and/or member(s) of their families, and anyone claiming by, through or under any of the foregoing, whether by statute, rule, contract or otherwise.

7. “Released Claims” means any and all manner of actions, causes of actions, suits, obligations, claims, debts, demands, agreements, promises, liabilities, damages, losses, controversies, costs, expenses, and attorneys’ fees whatsoever, whether in law or in equity and whether based on any federal law, state law, common law or foreign law, right of action or of any other type or form, foreseen or unforeseen, actual or potential, matured or unmatured, known or unknown, accrued or not accrued which each Lead Plaintiff and Class Member, or any of them, ever had, now have, or can have, or shall or may hereafter have, either individually, or as a member of a class, against any and all Released Persons for, based on, by reason of, or arising from or relating to the conduct alleged in either of the Actions, including but not limited to: (i) claims that arise out of any of the facts, transactions, events, occurrences, acts or omissions mentioned or referred to in the Options Complaint or Stock Complaint or in discovery (formal or informal) in the Actions, or other matters that are or could have been set forth, alleged, embraced or otherwise referred to in the Options Complaint or Stock Complaint, or either Action, which could have been brought against Defendants and which relate to a Class Member’s purchase or other acquisition of Green Tree common stock or purchase or sale of a Green Tree Option during the Class Period, including all matters encompassed within the releases and covenants not to sue set forth in ¶8 of the Stipulation, and (ii) claims arising out of the prosecution or defense of the Actions, or either of them, including, but not limited to, claims for fraud in the inducement, negligent misrepresentation, or fraud; except that nothing in the Stipulation releases any claim arising out of the violation or breach of the terms of the Stipulation.

8. “Effective Date” means the date when all the following shall have occurred:

- (i) entry of the Notice Order preliminarily approving the terms and conditions of the Stipulation;
- (ii) approval by the Court of the Settlement, following notice to the Class and a Hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure;
- (iii) entry by the Court of an Order and Final Judgment, and the expiration of any time for appeal or review of such Order and Final Judgment, substantially in the form agreed to by the parties, or, if any appeal is filed and not dismissed, after such Order and Final Judgment is upheld on appeal in all material respects and is no longer subject to review upon appeal or review by writ of certiorari, or, in the event that the Court enters an Order and Final Judgment in a form other than that agreed to by the parties (“Alternative Judgment”) and none of the parties elects to terminate the Settlement, the date that such Alternative Judgment becomes final and no longer subject to appeal or review; and
- (iv) the Settlement has not been voided pursuant to any terms of the Stipulation.

9. Without further action by anyone, on and after the Effective Date, each Class Member, including Class Members who are parties to any other actions, arbitrations, or other proceedings against any of the Defendants that are pending on the Effective Date, on behalf of themselves, their heirs, executors, administrators, successors, assigns, and any person they represent, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and of the Order and Final Judgment shall have fully, finally, and forever released, relinquished, settled and discharged all Released Claims against each and every one of the Released Persons, including such Released Claims as already may have been asserted in any pending actions, arbitrations, or other proceedings, and whether or not a Proof of Claim and Release is executed and delivered by, or on behalf of, such Class Member.

**Signature and Certification**

By signing and submitting this Proof of Claim and Release, the Claimant or the person who represents the Claimant certifies, as follows:

1. that the Claimant is a Class Member, as defined in the Notice;
2. that I (we) have read and understand the contents of the Notice and the Proof of Claim and Release;
3. that I (we) are not acting for any of the Defendants, nor am I (are we) such a Defendant or otherwise excluded from the Stock Class and/or the Options Class;
4. that I (we) have not filed a request for exclusion from the Stock Class and/or the Options Class and that I (we) do not know of any request for exclusion from the Stock Class and/or the Options Class filed on my (our) behalf with respect to my (our) transactions in the Subject Securities;
5. that I (we) own(ed) the Subject Securities identified in the Proof of Claim and Release, or that, in signing and submitting this Proof of Claim and Release, I (we) have the authority to act on behalf of the owner(s) thereof;
6. that Claimant may be entitled to receive a distribution from the Net Settlement Fund;
7. that Claimant desires to participate in the Settlement described in the Notice and agrees to the terms and conditions thereof;
8. that I (we) submit to the jurisdiction of the United States District Court for the District of Minnesota for purposes of investigation and discovery under the Federal Rules of Civil Procedure and submission and resolution of all issues with respect to this Proof of Claim and Release;
9. that I (we) agree to furnish such additional information with respect to this Proof of Claim and Release as the Claims Administrator, the parties or the Court may require; and
10. that I (we) waive trial by jury, to the extent it exists, and agree to the Court's summary disposition of the determination of the validity or amount of the claim made by this Proof of Claim and Release.

I declare, under penalty of perjury under the laws of the United States of America, that the statements made and answers given in this Proof of Claim and Release are true and correct and that the documents submitted herewith are true and genuine.

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print the name of Claimant

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

\_\_\_\_\_  
Print the name of Joint Claimant

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

\_\_\_\_\_  
Signature of person completing form

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print the name of the person completing the form

\_\_\_\_\_  
Capacity of person signing

**PLEASE GO TO PAGE 18 AND COMPLETE AND SIGN THE SUBSTITUTE FORM W-9.**

SUBSTITUTE FORM W-9

PART I

Request for Taxpayer Identification Number (TIN) and Certification

Name: [Grid for name entry]

Check appropriate box: [ ] Individual/Sole Proprietor [ ] Corporation [ ] Partnership [ ] Trust [ ] IRA [ ] Pension Plan [ ] Other

Enter TIN on the appropriate line.

- For individuals, this is your Social Security Number (SSN).
• For sole proprietors, you must show your individual name, but you may also enter your business or "doing business as" name. You may enter either your SSN or your EIN.
• For other entities, it is your Employer Identification Number (EIN).

Social Security Number OR Employer Identification Number [Grids for TIN entry]

PART II

For Payees Exempt from Backup Withholding

If you are exempt from backup withholding, enter your correct TIN in Part I and write "exempt" on the following line

[Line for "exempt" entry]

PART III

Certification

UNDER PENALTIES OF PERJURY, I (WE) CERTIFY THAT

- 1. The Number shown on this form is my correct Taxpayer Identification Number; and
2. I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(C) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the Internal Revenue Service (IRS) that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the IRS that you are subject to backup withholding, you must strike out the word "NOT" in the statement above and check here [ ]

NOTE: If you require the Instructions for Completing Substitute Form W-9, please make a written request to us at: In re Green Tree Securities Litigation, c/o Heffler, Radetich & Saitta L.L.P., Claims Administrator, Post Office Box 310, Philadelphia, PA 19105-0310. Please note that your accountant should also be able to provide you with the Instructions.

Signature of Claimant

Date:

REMINDER CHECKLIST

- 1. Please sign both the Proof of Claim and Release on page 17 and the Substitute Form W-9 on page 18.
2. If this claim is being made on behalf of joint claimants, then both must sign.
3. Please remember to attach copies of supporting documents.
4. If you move, please send us your new address.
5. DO NOT SEND ORIGINALS OF ANY SUPPORTING DOCUMENTS.
6. KEEP A COPY of your Proof of Claim and Release and all documentation submitted for your records.
7. You will not receive confirmation that your Proof of Claim and Release has been received unless you send it via Certified Mail, Return Receipt Requested or by some other means which provide you with proof of receipt.

ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME, POSSIBLY ONE YEAR OR MORE FROM THE DATE THAT THE PROOF OF CLAIM AND RELEASE FORMS ARE DUE TO BE FILED.

THANK YOU FOR YOUR PATIENCE.

**[THIS PAGE INTENTIONALLY LEFT BLANK]**

In re Green Tree Securities Litigation  
c/o Heffler, Radetich & Saitta L.L.P., Claims Administrator  
Post Office Box 310  
Philadelphia, PA 19105-0310

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**PLEASE FORWARD—IMPORTANT LEGAL NOTICE**