

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

IN RE: THE LOEWEN GROUP, INC. : MASTER FILE NO. 98-CV-6740  
SECURITIES LITIGATION : (O'Neill, Jr., J.)  
X  
X

**NOTICE OF PENDENCY AND PROPOSED SETTLEMENT  
OF CLASS ACTION AND SETTLEMENT HEARING**

**If you purchased or otherwise acquired The Loewen Group, Inc., publicly-traded common stock, preferred stock, call options, or Monthly Insured Preferred Securities on the open market from March 5, 1997 through January 14, 1999, inclusive, and were injured thereby you could receive a payment from a class action settlement.**

*A federal court authorized this Notice. This is not a solicitation from a lawyer.*

**Securities and Time Period:** The Loewen Group, Inc. ("Loewen Group") publicly-traded common stock, preferred stock, call options, or Monthly Insured Preferred Securities ("Loewen Group Securities") purchased or otherwise acquired on the open market from March 5, 1997 through January 14, 1999, inclusive (the "Class Period").

**Settlement Fund:** \$6 million in cash. Your recovery will depend on the number of shares of Loewen Group Securities purchased or otherwise acquired during the Class Period and the timing of your purchases or acquisitions, and any sales. Depending on the number of eligible securities that participate in the Settlement and when those securities were purchased and sold, the average recovery per common share/preferred stock/call option/Monthly Insured Preferred Security is estimated to be approximately \$0.11 (US) before deduction of court-approved fees and expenses, assuming all eligible Class Members submit proof of claim forms.

**The Lawsuit:** The Settlement resolves class action litigation over whether Loewen Group and certain of its former officers and directors intentionally or recklessly misled investors about Loewen Group's financial status. See "The Status of the Lawsuit" and Question 2 below for more information.

**Attorneys' Fees and Expenses:** Plaintiffs' Counsel have litigated this Action on a contingent basis and have conducted this litigation and advanced the expenses of litigation with the expectation that if they were successful in recovering money for the Class, they would receive fees and be reimbursed for their expenses from the Settlement Fund, as is customary in this type of litigation. Court-appointed Plaintiffs' Lead Counsel will apply to the court for attorneys' fees not to exceed 33 $\frac{1}{3}$ % of the Gross Settlement Fund and reimbursement of out-of-pocket expenses not to exceed \$320,000 (exclusive of ongoing costs in conjunction with the administration of the Settlement), plus interest, all to be paid from the Settlement Fund. If the above amounts are requested and approved by the Court, the average cost per unit of common stock/preferred stock/call option/Monthly Insurer Preferred Security will be approximately \$0.04.

**More Information:**

Settlement Administrator:

In re Loewen Group, Inc. Securities Litigation  
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P.O. Box 710  
Philadelphia, PA 19105-0710

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- Your legal rights are affected whether you act or do not act. Read this Notice carefully.

## STATEMENT OF RECOVERY

**Lead Plaintiffs estimate that approximately 56 million Loewen Group Securities were traded** during the Class Period. Lead Plaintiffs estimate that the average recovery of Loewen Group Securities under the Settlement will be \$0.11 per common share/preferred share/call option/Monthly Insured Preferred Security before the deduction of attorneys' fees, costs, and expenses, as approved by the Court, assuming all eligible Class Members submit proof of claim forms. The actual recovery per security will depend on: (1) the number of claims filed; (2) when Class Members purchased or otherwise acquired their Loewen Group Securities during the Class Period; (3) whether Class Members either sold their securities during the Class Period, or held their securities past the end of the Class Period; (4) administrative costs, including the costs of notice, for the Action; and (5) the amount awarded by the Court for attorneys' fees, costs, and expenses. Distributions to Class Members will be made based on the Plan of Allocation set forth in this Notice. See the Plan of Allocation on page 5.

### THE CIRCUMSTANCES OF THE SETTLEMENT

The principal reason for Lead Plaintiffs' consent to the Settlement is to provide a benefit to the Class now. This benefit must be compared to the risk that no recovery might be achieved after contested motions, a contested trial and likely appeals, possibly years into the future. While Plaintiffs' Lead Counsel were prepared to go to trial and were confident in their ability to present a case, they recognize that a trial is a risky proposition and that Lead Plaintiffs and the Class might not have prevailed. The claims advanced by the Class involve numerous complex legal and factual issues, requiring extensive expert testimony, which would add considerably to the expenses and duration of the litigation. Plaintiffs' Lead Counsel recognize that there are substantial obstacles that Plaintiffs and the Class would have had to overcome to prevail on their liability claims. For example, Plaintiffs faced the possibility that some or all of their claims could have been dismissed before trial at summary judgment. Had the case gone to trial, Defendants would have asserted that the uncertainties and risks regarding Loewen Group's business and financial condition were fully and adequately disclosed and that the statements that Defendants made about Loewen Group's business were true and complete when made. In fact, as described in greater detail below, many of the original claims filed by Plaintiffs against Defendants have already been dismissed by the Court.

In addition, the parties disagree on damages and do not agree on the average amount of damages per security that would be recoverable if Plaintiffs were to have prevailed on each claim alleged. The issues on which the parties disagree include but are not limited to: (a) the appropriate economic model for determining the amount by which any Loewen Group Securities were allegedly artificially inflated (if at all) during the relevant time period; (b) the amount by which any Loewen Group Securities were allegedly artificially inflated (if at all) during the relevant time period; (c) the effect of various market forces influencing the trading prices of Loewen Group Securities at various times during the relevant time period; (d) the extent to which external factors, such as general market and industry conditions, influenced the trading prices of Loewen Group Securities at various times during the relevant time period; (e) the extent to which the various matters that Plaintiffs alleged were materially false or misleading influenced (if at all) the trading prices of Loewen Group Securities at various times during the relevant time period; (f) the extent to which the various allegedly adverse material facts that Plaintiffs alleged were omitted influenced (if at all) the trading prices of Loewen Group Securities at various times during the relevant time period; and (g) whether the statements made or facts allegedly omitted were false, misleading, material or otherwise actionable under the federal securities laws. This Settlement therefore enables the Class to recover a significant percentage of the alleged damages as calculated by Plaintiffs' Lead Counsel in conjunction with their expert, without incurring any additional risk. As a result, Lead Plaintiffs believe this Settlement is an excellent recovery, which has been recommended by Plaintiffs' Lead Counsel. The terms of the Settlement were negotiated after two mediation sessions under the supervision of an experienced United States Magistrate Judge.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
<b>SUBMIT A CLAIM FORM</b>	The only way to receive a payment.
<b>EXCLUDE YOURSELF</b>	Receive no payment. This is the only option that allows you ever to be part of any lawsuit against Loewen Group and certain of its former officers and directors about the legal claims in the Action or Lawsuit.
<b>OBJECT</b>	You may write to the Court if you do not like this Settlement, the Plan of Allocation, or the request for attorneys' fees and expenses.
<b>GO TO A HEARING</b>	You may ask to speak in Court about the fairness of the Settlement.
<b>DO NOTHING</b>	Receive no payment. You will, however, be bound by the terms of this Settlement.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court in charge of this case must decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and, if there are any appeals, after they are resolved. Please be patient.

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**BASIC INFORMATION**

**1. Why Did I Receive This Notice Package?**

You or someone in your family may have purchased or otherwise acquired Loewen Group publicly-traded common stock, preferred stock, call options, or Monthly Insured Preferred Securities on the open market from March 5, 1997 through January 14, 1999, inclusive.

If this description applies to you, you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves it and after any objections or appeals are resolved, the Settlement Administrator appointed by the Court will make the payments that the Settlement allows.

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

## 2. What Is This Lawsuit About?

This litigation was brought in 1998 as a series of securities fraud cases brought by Loewen Group shareholders against officers and directors of the corporation as well as the corporation itself. In the spring of 1999, Lead Plaintiffs were appointed and cases brought by various individuals were consolidated into the current class action. Loewen Group filed for bankruptcy protection in June 1999 and, consequently, this litigation was suspended until late 2001, when it was resumed. On August 29, 2003, Plaintiffs filed their Corrected Consolidated Amended Complaint (the "Complaint"). The case is pending against Loewen Group (n/k/a Alderwoods Group, Inc.), Raymond L. Loewen, and Paul Wagler (collectively, the "Defendants"). However, because of bankruptcy proceedings involving Loewen Group, Plaintiffs are not entitled to seek any monetary recovery from Loewen Group. Defendants subsequently moved to dismiss the Complaint. On August 18, 2004, after extensive briefing and oral argument, the Court upheld a subset of Plaintiffs' claims. The Court dismissed certain of Plaintiffs' claims and upheld only three of the Plaintiffs' claims.

Plaintiffs, on behalf of the Class, allege that the Defendants knowingly or recklessly made false and misleading statements regarding Loewen Group's financial prospects and conditions and that these false and misleading statements constituted violations of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder by the Securities and Exchange Commission. The specific claims that were upheld by the Court in the Opinion and Order of August 18, 2004 were based on the Plaintiffs' allegations that, during the Class Period, defendants misled investors by materially misstating the value of Loewen Group's businesses and properties, by failing to record contingent losses on put/call agreements with respect to certain key acquisitions, and by failing to account properly for imputed interest on zero interest finance plans. Defendants deny any wrongdoing and specifically have denied the claims made by Plaintiffs in this Action.

By Order of November 9, 2005, the Court certified the Class defined below, appointed the City of Philadelphia, through its Board of Pensions and Retirement, Phil Schwartz, Terry Roberts and Harley Puff, as class representatives and appointed the law firms of Berger & Montague, P.C., Wolf Popper LLP and Abbey Gardy, LLP (now known as Abbey Spanier Rodd Abrams & Paradis, LLP) as Class Counsel and Barrack, Rodos & Bacine as Liaison Counsel.

## 3. Why Is This Action a Class Action?

In a class action, one or more people called class representatives sue on behalf of people who have similar claims. All of these people who have similar claims are referred to collectively as a Class, or individually as Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Settlement. U.S. District Court Judge Thomas N. O'Neill, Jr. of the United States District Court for the Eastern District of Pennsylvania is in charge of this class action. The case is known as *In re: The Loewen Group, Inc. Securities Litigation*, Master File No. 98-CV-6740 (O'Neill, Jr., J.).

## 4. Why Is There a Settlement?

The Court did not decide in favor of Lead Plaintiffs or Defendants. Instead, both sides agreed to a settlement. That way, they avoid the cost and risks of further litigation and trial. As explained above, Lead Plaintiffs and their attorneys believe that the Settlement provides fair, reasonable and adequate compensation for, and that it is in the best interests of, Class Members.

### WHO IS IN THE SETTLEMENT

To see if you will receive money from this Settlement, you first have to determine if you are a Class Member.

## 5. How Do I Know if I Am Part of the Settlement?

The Class includes ***all persons or entities who purchased or otherwise acquired Loewen Group publicly-traded common stock, preferred stock, call options, or Monthly Insured Preferred Securities on the open market from March 5, 1997 through January 14, 1999, inclusive, and who were injured thereby and who have not properly and timely excluded themselves from the Class. The Class excludes defendants The Loewen Group, Inc. (n/k/a Alderwoods Group, Inc.), Raymond L. Loewen, and Paul Wagler; directors and officers of the Loewen Group during the Class Period, members of the immediate family of any excluded party, and any person, firm, trust, corporation, officer, director, or other individual or entity in which any excluded party has a controlling interest or which is related to or affiliated with any of the excluded parties, including legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Class are all members of the Class who properly and timely excluded themselves in accordance with Paragraph 14 below.***

## 6. What Are the Exceptions to Being Included?

You are not a Class Member if you are or were a Defendant in this Action, a director or officer of the Loewen Group during the Class Period, a member of the immediate family of any excluded party, and any person, firm, trust, corporation, officer, director, or other individual or entity in which any excluded party has a controlling interest or which is related to or affiliated with any of the excluded parties, including legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party.

If you held or sold Loewen Group Securities from March 5, 1997 through January 14, 1999, inclusive, that alone does not make you a Class Member. You are a Class Member only if you purchased or otherwise acquired publicly-traded common stock, preferred stock, call options, or Monthly Insured Preferred Securities on the open market during the Class Period.

If one of your mutual funds purchased or owns shares of Loewen Group Securities, that alone does not make you a Class Member.

## 7. I Am Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can call the Settlement Administrator, Heffler, Radetich & Saitta L.L.P., at 1-800-768-8450, for more information. Or you can fill out and return the claim form described in Question 11, to see if you qualify.

### THE SETTLEMENT BENEFITS—WHAT YOU RECEIVE

## 8. What Does the Settlement Provide?

Defendants have agreed to create a \$6 million cash Settlement Fund. The balance of this fund, after payment of court-approved attorneys' fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing newspaper notice (the "Net Settlement Fund"), will be divided among all Class Members who submit valid claim forms.

### PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

## 9. How is My Share of the Net Settlement Fund Determined?

If you are entitled to a payment, your share of the Net Settlement Fund will depend on the number of valid claim forms that Class Members submit, how many units or shares of Loewen Group Securities you purchased or otherwise acquired, and when you bought and sold your units or shares. By following the Plan of Allocation described here, you can calculate your "Recognized Loss." The Settlement Administrator will distribute the Net Settlement Fund, that is, the Settlement Fund, less taxes owed, all administrative costs, including the costs of notice, and attorneys' fees and expenses, as awarded by the Court, according to the Plan of Allocation after the deadline for submission of Proof of Claim and Release forms has passed.

The Settlement Administrator ("Heffler, Radetich & Saitta L.L.P.") shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Loss." The Recognized Loss formula is not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

## 10. What is the Basis for the Calculation of My Recognized Loss?

**(You do not need to make any of these calculations yourself. The Settlement Administrator will make all of these calculations for you.)**

- a. The Net Settlement Fund will be allocated among the Authorized Claimants in accordance with this "Plan of Allocation." The amount so allocated to each Authorized Claimant constitutes and is referred to herein as the Authorized Claimant's "Recognized Loss." The Plan of Allocation is based upon Plaintiffs' Counsel's assessment of the merits and the relative strengths and weaknesses, including recoverable damages, of the claims of the members of the Class. In developing this Plan of Allocation, Plaintiffs' Counsel have considered, among other things, the following:
  - (i) Although the price of Loewen Group Securities generally trended downward during the Class Period, Plaintiffs allege that there were several partial disclosures by Defendants of some of the truth about the Company which had the effect of decreasing the alleged artificial inflation of Loewen Group Securities

during the Class Period. Plaintiffs believe there were four significant periods during the Class Period where defendants did not disclose the true state of affairs at the Loewen Group and at the end of which partial disclosures of the truth by defendants had a material negative impact on the price of Loewen Group Securities. Those periods are:

- **Period 1—March 5, 1997–September 12, 1997** (on September 15, 1997, Loewen Group announced “reserve and asset adjustments” that ultimately included a portion of imputed interest that should have been counted in prior quarters of the year. This caused Loewen Group common stock to fall from \$30 (US) per share on September 12, 1997 to \$25.25 (US) per share on September 16, 1997)
  - **Period 2—September 15, 1997–July 21, 1998** (on July 22, 1998, Loewen Group announced an earnings estimate shortfall primarily related to lower pre-need cemetery sales, lower volumes in funeral homes and adjustments to cemetery accounts receivable. Loewen Group common stock fell from \$24.125 (US) per share on July 21, 1998 to \$20 (US) per share on July 22, 1998)
  - **Period 3—July 22, 1998–October 6, 1998** (on October 6, 1998, Loewen Group announced that third quarter 1998 earnings would be significantly below expectations. Loewen Group common stock dropped from \$12.50 (US) per share on October 5, 1998 to \$7.875 (US) per share by October 8, 1998)
  - **Period 4—October 7, 1998–January 14, 1999** (on January 14, 1999 -- the last day of the Class Period - Loewen Group announced that the Company was considering selling a portion of its funeral home and cemetery assets and that the Florida Department of Banking and Finance regulators had suspended the license of 16 of the Company’s Florida cemetery and funeral properties for accounting irregularities. Shares of Loewen common stock fell  $\$1 \frac{5}{8}$  (US) or 24% to  $\$5 \frac{1}{8}$  per share (US))
- (ii) As noted in paragraph 2 above, although, Plaintiffs originally asserted that Defendants either made misstatements or omissions regarding material facts during the Class Period, the Court dismissed all but three claims from the lawsuit (those relating to the value of Loewen Group’s businesses and properties; those relating to Defendants’ failure to record contingent losses on put/call agreements with respect to certain key acquisitions; and those related to Loewen Group’s failure to account properly for imputed interest on zero interest finance plans).
- (iii) Because the announcements made by the Company at the end of Periods 1, 3 and 4 related to at least some (but not all) of the portion of the claims the Court upheld, the Plan of Allocation recognizes 50% of losses for Loewen Group Securities purchased in each of these periods.
- (iv) Because the announcement made by the Company at the end of Period 2 related only to claims the Court dismissed (these claims might have been subject to an appeal at the conclusion of the litigation), the Plan of Allocation recognizes 25% losses for Loewen Group Securities purchased during this period.
- (v) Because Plaintiffs believe that the market was informed of at least some of the truth about Loewen only at the end of each of the four periods noted above, Loewen Group Securities that were purchased and then sold in the same period would have been subject to the same artificial inflation at the purchase and sale and thus are deemed to have suffered no damages.

The Settlement Administrator shall determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized claimant’s “Recognized Loss” calculated under the following formula:

#### **PART I—COMPUTING RECOGNIZED LOSSES FOR LOEWEN COMMON STOCK**

- A. For shares purchased between March 5, 1997 and September 12, 1997 and:
1. sold prior to September 15, 1997, the recognized losses are zero;
  2. sold between September 15, 1997 and July 21, 1998, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) \$1.19 per share; or
  3. sold between July 22, 1998 and October 6, 1998, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) \$2.22 per share; or
  4. sold between October 7, 1998 and January 14, 1999 the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) \$3.91 per share; or
  5. held as of the close of business on January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus \$5.125; or ii) \$4.72 per share.
- B. For shares purchased between September 15, 1997 and July 21, 1998, and:
1. sold between September 15, 1997 and July 21, 1998, the recognized losses are zero;

2. sold between July 22, 1998 and October 6, 1998, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) \$1.03 per share; or
  3. sold between October 7, 1998 and January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) \$2.71 per share; or
  4. held as of the close of business on January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus \$5.125; or ii) \$3.53 per share.
- C. For shares purchased between July 22, 1998 and October 6, 1998 and:
1. sold between July 22, 1998 and October 6, 1998, the recognized losses are zero;
  2. sold between October 7, 1998 and January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) \$1.69 per share; or
  3. held as of the close of business on January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus \$5.125; or ii) \$2.50 per share.
- D. For shares purchased between October 7, 1998 and January 14, 1999 and:
1. sold between October 7, 1998 and January 14, 1999, the recognized losses are zero;
  2. held as of the close of business on January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus \$5.125; or ii) \$0.81 per share.

**PART II—COMPUTING RECOGNIZED LOSSES FOR LOEWEN 6.00% SERIES C PREFERRED STOCK AND 9.45% MONTHLY INSURED PREFERRED SECURITIES (MIPS)**

- A. For securities purchased between March 5, 1997 and September 12, 1997 and:
1. sold prior to September 15, 1997, the recognized losses are zero;
  2. sold between September 15, 1997 and July 21, 1998, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) \$1.00 per security; or
  3. sold between July 22, 1998 and October 6, 1998, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) \$1.63 per security; or
  4. sold between October 7, 1998 and January 14, 1999 the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) \$2.75 per security; or
  5. held as of the close of business on January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus \$10.15; or ii) \$4.20 per security.
- B. For securities purchased between September 15, 1997 and July 21, 1998, and:
1. sold between September 15, 1997 and July 21, 1998, the recognized losses are zero;
  2. sold between July 22, 1998 and October 6, 1998, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) \$0.625 per security; or
  3. sold between October 7, 1998 and January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) \$1.75 per security; or
  4. held as of the close of business on January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus \$10.15; or ii) \$3.20 per security.
- C. For securities purchased between July 22, 1998 and October 6, 1998 and:
1. sold between July 22, 1998 and October 6, 1998, the recognized losses are zero;
  2. sold between October 7, 1998 and January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) \$1.13 per security; or
  3. held as of the close of business on January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus \$10.15; or ii) \$2.58 per security.
- D. For securities purchased between October 7, 1998 and January 14, 1999 and:
1. sold between October 7, 1998 and January 14, 1999, the recognized losses are zero;

2. held as of the close of business on January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus \$10.15; or ii) \$1.45 per security.

### **PART III—COMPUTING RECOGNIZED LOSSES FOR LOEWEN CALL OPTIONS**

(All imputed values will be calculated based on the Black-Scholes Options Pricing Model)

- A. For contracts purchased between March 5, 1997 and September 12, 1997 and:
  1. expired or sold prior to September 15, 1997 the recognized losses are zero;
  2. expired or sold between September 15, 1997 and July 21, 1998, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) .5 times (the imputed value on September 12, 1997 minus the imputed value on September 15, 1997); or
  3. expired or sold between July 22, 1998 and October 6, 1998, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) .5 times (the imputed value on September 12, 1997 minus the imputed value on September 15, 1997) plus .25 times (the imputed value on July 21, 1998 minus the imputed value on July 22, 1998); or
  4. expired or sold between October 7, 1998 and January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) .5 times (the imputed value on September 12, 1997 minus the imputed value on September 15, 1997) plus .25 times (the imputed value on July 21, 1998 minus the imputed value on July 22, 1998) plus .5 times (the imputed value on October 6, 1998 minus the imputed value on October 7, 1998); or
  5. held as of the close of business on January 14, 1999, the recognized losses are .5 times (the imputed value on September 12, 1997 minus the imputed value on September 15, 1997) plus .25 times (the imputed value on July 21, 1998 minus the imputed value on July 22, 1998) plus .5 times (the imputed value on October 6, 1998 minus the imputed value on October 7, 1998) plus .5 times (the imputed value on January 13, 1999 minus the imputed value on January 14, 1999).
- B. For contracts purchased between September 15, 1997 and July 21, 1998 and:
  1. expired or sold between September 15, 1997 and July 21, 1998, the recognized losses are zero;
  2. expired or sold between July 22, 1998 and October 6, 1998, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) .25 times (the imputed value on July 21, 1998 minus the imputed value on July 22, 1998); or
  3. expired or sold between October 7, 1998 and January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) .25 times (the imputed value on July 21, 1998 minus the imputed value on July 22, 1998) plus .5 times (the imputed value on October 6, 1998 minus the imputed value on October 7, 1998); or
  4. held as of the close of business on January 14, 1999, the recognized losses are .25 times (the imputed value on July 21, 1998 minus the imputed value on July 22, 1998) plus .5 times (the imputed value on October 6, 1998 minus the imputed value on October 7, 1998) plus .5 times (the imputed value on January 13, 1999 minus the imputed value on January 14, 1999).
- C. For contracts purchased between July 22, 1998 and October 6, 1998 and:
  1. expired or sold between July 22, 1998 and October 6, 1998, the recognized losses are zero;
  2. expired or sold between October 7, 1998 and January 14, 1999, the recognized losses are the lesser of: i) the purchase price minus the sales price; or ii) .5 times (the imputed value on October 6, 1998 minus the imputed value on October 7, 1998); or
  3. held as of the close of business on January 14, 1999, the recognized losses are .5 times (the imputed value on October 6, 1998 minus the imputed value on October 7, 1998) plus .5 times (the imputed value on January 13, 1999 minus the imputed value on January 14, 1999).
- D. For contracts purchased between October 7, 1998 and January 14, 1999 and:
  1. expired or sold between October 7, 1998 and January 14, 1999, the recognized losses are zero;

2. held as of the close of business on January 14, 1999, the recognized losses are the imputed value on January 13, 1999 minus the imputed value on January 14, 1999.

If you inherited or received a gift of Loewen Group Securities during the Class Period, that inheritance or gift is not considered a purchase of Loewen Group Securities unless your ancestor or donor was the actual purchaser of Loewen Group Securities during the Class Period. You, as a recipient of a gift or inheritance, and the original purchaser may not both file a claim with regard to the same units of Loewen Group Securities. If both you and the donor (or you and your ancestor's estate) make such a claim, only the claim filed by the recipient (or heir) will be honored.

The date of purchase, acquisition or sale is the "contract" or "trade" date and not the "settlement" date.

In processing claims, the first in, first out ("FIFO") basis will be applied to purchases and sales. Sales will be matched in chronological order, by trade date, first against the securities held as of the close of trading on March 4, 1997 (the last day before the Class Period begins) and then against the purchases during the Class Period.

The date of covering a "short sale" is deemed to be the date of purchase of the Loewen Group Security. The date of a "short sale" is deemed to be the date of the sale of the Loewen Group Security. Shares originally sold short will result in a zero Recognized Loss.

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

Shares "transferred into," "delivered into" or "received into" the claimant's account, will NOT be considered as purchased shares unless the claimant submits documents showing or 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, since the right to file for those shares belongs to the person or party receiving the shares.

Recognized Losses will not be offset by profits earned on sales of Loewen Group Securities during the Class Period.

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

### **11. How Will I Receive a Payment?**

To qualify for payment, you must be an eligible Class Member and you must submit a claim form. A claim form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form requests, sign it, and mail it in an envelope postmarked no later than October 24, 2006. Retain a copy of everything you mail, in case the materials are lost or destroyed during shipping.

Payment in the manner set forth above will be deemed conclusive compliance with the Stipulation as to all Authorized Claimants. All Class Members who fail to submit valid and timely Proofs of Claim will be barred from participating in the distribution of the Net Settlement Fund but otherwise will be bound by all of the terms of the Stipulation, including the terms of any final orders or judgments entered and the releases given to Defendants and others.

No Authorized Claimant shall have any claim against Plaintiffs, Plaintiffs' Counsel, Defendants' Counsel or the Settlement Administrator, or any other agent designated by Plaintiffs' Counsel based on the distributions made substantially in accordance with the Stipulation, the Plan of Allocation, and further orders of the Court. In addition, in the interest of achieving substantial justice, Plaintiffs' Counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Proofs of Claim filed.

Checks will be distributed to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. No cash payment will be made on a claim where the potential distribution amount is less than \$5.00. If any funds remain in the Net Settlement Fund by reason of uncashed checks or otherwise, then, after the Settlement 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 \$5.00 each from such re-distribution.

## 12. When Will I Receive My Payment?

The Court will hold a hearing on June 29, 2006, to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain whether appeals, if any, can be resolved, and resolving them can take time, perhaps several years. In addition, the Settlement Administrator must process all of the Proof of Claim and Release forms. The processing is complicated and will take many months. Please be patient.

## 13. What Am I Giving Up By Staying in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants or the Released Parties about the claims being released in this Settlement. It also means that all of the Court's orders will apply to you and legally bind you and you will release your claims in this case against the Defendants.

Pursuant to the proposed Settlement, and on the Effective Date, Plaintiffs and other members of the Class who do not exclude themselves therefrom on behalf of themselves, their heirs, executors, administrators, successors and assigns, shall release and forever discharge, and shall forever be enjoined from prosecuting, the Released Parties (defined below) with respect to each and every Settled Claim (defined below).

The "Defendants" include the following, each of whom will be released from all Settled Claims: (a) the Loewen Group (n/k/a Alderwoods Group, Inc.); (b) Raymond L. Loewen ("Loewen"); and (c) Paul Wagler ("Wagler") (Defendants Loewen and Wagler are collectively referred to as the "Individual Defendants"). The proposed Settlement will release all Class Members' Settled Claims against any and all of the Defendants, their past or present subsidiaries, parents, successors and predecessors, officers, directors, agents, employees, attorneys, insurers, auditors, accountants, insurers and any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants, and the legal representatives, heirs, successors in interest or assigns of the Defendants (collectively, the "Released Parties").

"Settled Claims" means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and unknown claims: (a) that have been or could have been asserted in the Action by the Class Members or any of them against any of the Released Parties, or (b) that could have been asserted in any forum by the Class Members or any of them against any of the Released Parties which arise out of or are based upon the allegations, transactions, facts, matters, occurrences, representations or omissions involved, set forth, or referred to in the Complaint or any of its predecessors.

The Plaintiffs and all Class Members agree and acknowledge that the Settled Claims may encompass claims or matters the nature of which have not yet been discovered, and it is understood and agreed that, to the extent they may be alleged to be applicable, each Class Member shall be deemed to have waived all protections conferred by any statutory or non-statutory law of any other jurisdiction which is similar or equivalent to California Civil Code § 1542, which provides:

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 settlement with the debtor.

If the proposed Settlement is approved by the Court, all Settled Claims will be dismissed on the merits and with prejudice as to all Class Members and all Class Members shall be forever barred from prosecuting a class action or any other action raising any Settled Claims against any Released Party.

On the Effective Date (as defined below) each Defendant shall release and forever discharge each and every Settled Defendants' Claims and shall forever be enjoined from prosecuting such claims against Lead Plaintiffs, the Class, any member of the Class or their attorneys. "Settled Defendants' Claims" means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory, common, foreign or international law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and unknown claims,

that have been or could have been asserted in this litigation or in any other forum by one or more of the Defendants or their successors or assigns against any of the plaintiffs, the Class, members of the Class or their attorneys which arise out of or relate in any way to the institution, prosecution, or settlement of this litigation.

The proposed Settlement will become effective at such time as an Order entered by the Court approving the Settlement shall become final and not subject to appeal (the "Effective Date").

### **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you do not want a payment from this Settlement, but you want to keep the right to sue or continue to sue the Defendants on your own about the same claims being released in this Settlement, then you must take steps to exclude yourself from the Settlement. This is referred to as opting out of the Class.

#### **14. How Do I Exclude Myself from the Settlement?**

To exclude yourself from the Settlement, you must send a letter by mail stating that you want to be excluded from *In re: The Loewen Group, Inc. Securities Litigation*, Master File No. 98-CV-6740 (O'Neill, Jr., J.). You must include your name, address, telephone number, your signature, name and address of the record owner if different, and the number and type of Loewen Group Securities you purchased or otherwise acquired from March 5, 1997 through January 14, 1999, inclusive, the number sold during this time period, if any, and the dates of such purchases, acquisitions, and sales. You must mail your exclusion request postmarked no later than June 8, 2006 to:

***In re Loewen Group, Inc. Securities Litigation***  
**c/o Heffler, Radetich & Saitta L.L.P.**  
**P.O. Box 710**  
**Philadelphia, PA 19105-0710**

\*Please keep a copy of everything you send by mail, in case it is lost or destroyed during shipping.

You cannot exclude yourself over the phone or by e-mail. If you ask to be excluded, you are not eligible to receive any settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit and you will be able to pursue the claims that are being released in this Settlement.

#### **15. If I Do Not Exclude Myself, Can I Sue the Defendants for the Same Thing Later?**

No. Unless you exclude yourself, you give up any right to sue the Defendants or the Released Parties for the claims being released by this Settlement. If you have a pending lawsuit relating to the claims being released in this case against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is June 8, 2006.

#### **16. If I Exclude Myself, Can I Receive a Payment from This Settlement?**

No. If you exclude yourself, do not send in a claim form. But, you may sue, continue to sue, or be part of a different lawsuit asserting the claims being released in this Settlement against Defendants or the Released Parties.

### **THE LAWYERS REPRESENTING YOU**

#### **17. Do I Have a Lawyer in This Case?**

The Court appointed the law firms of Berger & Montague, P.C., Wolf Popper LLP and Abbey Spanier Rodd Abrams & Paradis, LLP to represent you and the other Class Members. These lawyers are called Plaintiffs' Lead Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

#### **18. How Will the Lawyers Be Paid?**

Plaintiffs' Lead Counsel will apply to the Court for attorneys' fees not to exceed 33.3% of the Settlement Fund and for reimbursement of their out-of-pocket expenses up to \$320,000 (collectively, an average of \$.04 per common share/preferred stock/call option/Monthly Insured Preferred Security), which were advanced in connection with the Action, plus interest on such fees and expenses at the same rate as earned by the Settlement Fund. *Such sums as may be approved by the Court will be paid from the Settlement Fund.* Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Plaintiffs' Lead Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, Plaintiffs' Lead Counsel have not been paid for their services for conducting this litigation on behalf of the Lead Plaintiffs and the Class nor for their substantial out-of-pocket expenses. The fee requested will compensate Plaintiffs' Lead Counsel for their work in obtaining the Settlement Fund and is within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court may, however, award less than this amount.

## OBJECTING TO THE SETTLEMENT

### 19. How Do I Tell the Court that I Do Not Like the Settlement?

If you are a Class Member, you can object to the Settlement, the Plan of Allocation and/or the request for attorneys' fees. To object, you must send a letter saying that you object to the Settlement in *In re: The Loewen Group, Inc. Securities Litigation*, Master File No. 98-CV-6740 (O'Neill, Jr., J.). Be sure to include your name, address, telephone number, your signature, the number and type of Loewen Group Securities purchased or acquired and sold from March 5, 1997 through January 14, 1999, inclusive, and the reasons you object to the Settlement. Any objection to the Settlement must be mailed or delivered such that it is received by *each of the following* no later than June 8, 2006:

*Court:*

Clerk of the Court  
UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF PENNSYLVANIA  
2609 Byrne U.S. Courthouse  
Independence Mall, West  
601 Market Street  
Philadelphia, PA 19106-1797

*Plaintiffs' Lead Counsel:*

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

Chet B. Waldman, Esq.  
WOLF POPPER LLP  
845 Third Avenue  
New York, NY 10022

Karin E. Fisch, Esq.  
ABBIE SPANIER RODD ABRAMS & PARADIS, LLP  
212 East 39th Street  
New York, NY 10016

*Counsel for Defendants Raymond Loewen and Paul Wagler:*

David H. Marion, Esq.  
MONTGOMERY, McCracken,  
WALKER & RHOADS, LLP  
123 South Broad Street  
Philadelphia, PA 19109

*Counsel for Loewen Group, Inc.:*

John W. Edwards, II, Esq.  
JONES DAY  
2882 Sand Hill Road  
Suite 240  
Menlo Park, CA 94025

**20. What's the Difference Between Objecting and Excluding Yourself from the Class and the Proposed Settlement?**

Objecting is simply telling the Court that you do not like something about the Settlement, the Plan of Allocation, or the application for attorneys' fees and expenses. You can object *only if* you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

**THE COURT'S FAIRNESS HEARING**

**21. When and Where Will the Court Decide Whether to Approve the Settlement?**

The Court will hold a fairness hearing at 10:00 a.m., on June 29, 2006, at the United States Courthouse, 601 Market Street, Philadelphia, PA 19106-1797. At this hearing the Court will consider whether the Settlement and the Plan of Allocation are fair, reasonable, and adequate and whether the request for attorneys' fees and expenses is fair and reasonable. If there are objections, the Court will consider them. The Court will listen to people who have requested in writing by June 8, 2006 to speak at the hearing. The Court may also consider Plaintiffs' Lead Counsel's application for attorneys' fees and reimbursement of expenses.

**22. Do I Have to Come to the Hearing?**

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

**23. May I Speak at the Hearing?**

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter stating your intention to appear in *In re: Loewen Group, Inc. Securities Litigation*, Master File No. 98-CV-6740 (O'Neill, Jr., J.). Be sure to include your name, address, telephone number, your signature, and the number and type of Loewen Group publicly-traded common stock, preferred stock, call options, or Monthly Insured Preferred Securities purchased, otherwise acquired, or sold from March 5, 1997 through January 14, 1999, inclusive. Your notice of intention to appear must be postmarked no later than June 8, 2006, and be sent to the Clerk of the Court, Plaintiffs' Lead Counsel, and Defendants' Counsel, at the addresses listed in Question 19. You cannot speak at the hearing if you exclude yourself from the Settlement.

**IF YOU DO NOTHING?**

**24. What Happens if I Do Nothing at All?**

If you do nothing, you will receive no money from this Settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants or the Released Parties about the same claims being released in this Settlement.

**OBTAINING MORE INFORMATION**

**25. Are There More Details About the Settlement?**

This Notice summarizes the proposed Settlement. More details are in the Stipulation and Agreement of Settlement dated March 31, 2006. You can obtain a copy of the Stipulation of Settlement or more information about the Settlement by calling 1-800-768-8450, or visiting [www.hrsclaimsadministration.com](http://www.hrsclaimsadministration.com). You can also obtain a copy of the Stipulation and Agreement of Settlement from the Clerk's office at the United States District Court for the Eastern District of Pennsylvania, 601 Market Street, Philadelphia, PA 19106-1797, during regular business hours.

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

## SPECIAL NOTICE TO NOMINEES

If you purchased or otherwise acquired publicly-traded common stock, preferred stock, call options, or Monthly Insured Preferred Securities during the period from March 5, 1997 through January 14, 1999, inclusive for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either: (a) provide the name and last known address of each person or organization for whom or which you so acted, **preferably on computer generated mailing labels, or electronically in MS Word or WordPerfect files (label size Avery #5162), or in an MS Excel data table setting forth (i) title/registration, (ii) street address, (iii) city/state/zip code;** or (b) send copies of the Notice and Proof of Claim ("Notice") directly to all beneficial owners by first-class mail and provide Heffler, Radetich & Saitta L.L.P. with written confirmation of having done so. Additional copies of the Notice may be requested by contacting:

*In re Loewen Group, Inc. Securities Litigation*  
c/o Heffler, Radetich & Saitta L.L.P.  
P.O. Box 710  
Philadelphia, PA 19105-0710  
Telephone: 1-800-768-8450  
Facsimile: 215-665-0613  
Website: [www.hrsclaimsadministration.com](http://www.hrsclaimsadministration.com)

You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including the research of records and the generating of labels or the cost of postage. Those expenses will be paid upon submission of a written request and appropriate supporting documentation. All communications concerning the foregoing should be addressed to:

*In re Loewen Group, Inc. Securities Litigation*  
c/o Heffler, Radetich & Saitta L.L.P.  
P.O. Box 710  
Philadelphia, PA 19105-0710

DATED: April 5, 2006

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BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

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IN RE: THE LOEWEN GROUP, INC. : MASTER FILE NO. 98-CV-6740  
SECURITIES LITIGATION : (O'Neill, Jr., J.)

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**PROOF OF CLAIM AND RELEASE AND SUBSTITUTE FORM W-9**

**DEADLINE FOR SUBMISSION:**

**POSTMARKED ON OR BEFORE OCTOBER 24, 2006.**

IF YOU PURCHASED OR OTHERWISE ACQUIRED THE LOEWEN GROUP, INC. ("LOEWEN GROUP") PUBLICLY-TRADED COMMON STOCK, PREFERRED STOCK, CALL OPTIONS, OR MONTHLY INSURED PREFERRED SECURITIES ON THE OPEN MARKET FROM MARCH 5, 1997 THROUGH JANUARY 14, 1999, INCLUSIVE (THE "CLASS PERIOD"), AND WERE INJURED THEREBY, THEN YOU ARE A "CLASS MEMBER" AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS.

EXCLUDED FROM THE CLASS ARE DEFENDANTS THE LOEWEN GROUP, INC., (N/K/A ALDERWOODS GROUP, INC.), RAYMOND L. LOEWEN, AND PAUL WAGLER, DIRECTORS AND OFFICERS OF THE LOEWEN GROUP DURING THE CLASS PERIOD, MEMBERS OF THE IMMEDIATE FAMILY OF ANY EXCLUDED PARTY, AND ANY PERSON, FIRM, TRUST, CORPORATION, OFFICER, DIRECTOR, OR OTHER INDIVIDUAL OR ENTITY IN WHICH ANY EXCLUDED PARTY HAS A CONTROLLING INTEREST OR WHICH IS RELATED TO OR AFFILIATED WITH ANY OF THE EXCLUDED PARTIES, INCLUDING LEGAL REPRESENTATIVES, AGENTS, AFFILIATES, HEIRS, SUCCESSORS-IN-INTEREST OR ASSIGNS OF ANY SUCH EXCLUDED PARTY.

IF YOU ARE A MEMBER OF THE CLASS, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE TO RECEIVE ANY SETTLEMENT BENEFITS.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN OCTOBER 24, 2006 TO:

In re Loewen Group, Inc. Securities Litigation  
c/o Heffler, Radetich & Saitta L.L.P.  
P.O. Box 710  
Philadelphia, PA 19105-0710

YOUR FAILURE TO SUBMIT YOUR CLAIM BY OCTOBER 24, 2006 MAY SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS LITIGATION.

DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT, OR TO ANY OF THE PARTIES OR THEIR COUNSEL, AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE ADDRESS AS NOTED ABOVE.

**CLAIM FORM INSTRUCTIONS**

1. If you purchased or otherwise acquired Loewen Group publicly-traded common stock, preferred stock, call options, or Monthly Insured Preferred Securities in your name, you are the beneficial owner as well as the record owner. If, however, you purchased or otherwise acquired Loewen Group publicly-traded common stock, preferred stock, call options, or Monthly Insured Preferred 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 owner and the third party is the record owner.
2. Use ¶ 11 of this form entitled "Claimant Information" to identify each beneficial owner and, if different, each record owner, of the Loewen Group Securities which forms the basis of this claim.

THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL OWNER OR OWNERS, OR THE LEGAL REPRESENTATIVE OF SUCH OWNER OR OWNERS, OF THE LOEWEN GROUP SECURITY UPON WHICH THIS CLAIM IS BASED.

3. All joint owners must sign this claim. If you are acting in a representative capacity on behalf of a Class Member, e.g., as an executor, administrator, trustee, conservator, or other representative, documentation establishing your current authority to act on behalf of that Class Member must accompany this claim, and your title or capacity must be stated. Such documentation would include letters testamentary, letters of administration, or a copy of the trust documents. The Social Security or Taxpayer Identification Number and telephone number of the beneficial owner may be used in verifying the claim and must be included. Failure to provide the foregoing information could delay verification of your claim or result in rejection of your claim.
4. Use ¶ 12 of this form entitled "Schedule of Trading Activity" to supply all required details of your transaction(s) in Loewen Group Securities. If you need more space, attach separate, numbered sheets giving all of the required information in substantially the same form. Print your name and Social Security or Taxpayer Identification Number at the top of each additional sheet.
5. On the schedule, provide all of the requested information with respect to **all** of your purchases and **all** of your sales of publicly-traded Loewen Group common stock, preferred stock, call options, or Monthly Insured Preferred Securities that took place during 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. Recognized Losses will not be offset by profits earned on sales of Loewen Group securities during the Class Period.
6. 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. All purchase and sale data **must be in U.S. dollars**.
7. If an Authorized Claimant's trading activity during the Class Period exceeds 50 transactions, he or she must provide, in an electronic file, all purchase and sale information required in ¶ 12. For a copy of instructions and parameters concerning such a submission, contact the Settlement Administrator by phone: 1-800-768-8450; by fax 1-215-665-0613 or via the website: [www.hrsclaimsadministration.com](http://www.hrsclaimsadministration.com).
8. No cash payment will be made on a claim where the potential distribution amount is less than \$5.00.
9. Brokerage commissions and transfer taxes paid by you in connection with your purchase and sale of Loewen Group securities should be included in the total cost and net of the total proceeds.
10. **Copies** of brokers' confirmations or other documentation of your transactions in Loewen Group securities should be attached to your claim. IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER OR PORTFOLIO MANAGER BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM. For a complete listing of the documentation deemed acceptable by the Settlement Administrator, please refer to the website [www.hrsclaimsadministration.com](http://www.hrsclaimsadministration.com). Failure to provide acceptable documentation could delay verification of your claim or result in rejection of your claim.



- c. Separately list each and every sale of Loewen Group publicly-traded common stock during the period from March 5, 1997 **through** January 14, 1999 inclusive, and provide the following information (*must be documented*):

	Trade Date(s) of Sale (List Chronologically) (Month / Day / Year)	Number of Shares of Common Stock	Sales Price Per Share of Common Stock	Total Sales Price (net of commissions & taxes)
1.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□
2.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□
3.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□
4.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□

Check here if additional transactions are included on separate schedule(s) and print your name and Social Security or Tax Identification Number at the top of each sheet.

Total Common Shares Sold: \_\_\_\_\_

- d. State the total quantity of Loewen Group publicly-traded common stock owned at the close of trading on January 14, 1999, long or short (*must be documented*):

\_\_\_\_\_.

**6.00% Series C Preferred Stock**

- a. State the total quantity of Loewen Group publicly-traded preferred stock, owned at the close of trading on March 4, 1997, long or short (*must be documented*):

\_\_\_\_\_.

- b. Separately list each and every purchase of Loewen Group publicly-traded preferred stock, from March 5, 1997 **through** January 14, 1999, inclusive, and provide the following information (*must be documented*):

	Trade Date(s) of Purchase (List Chronologically) (Month / Day / Year)	Number of Shares of Preferred Stock	Purchase Price Per Share of Preferred Stock	Total Purchase Price (including commissions & taxes)
1.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□
2.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□
3.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□
4.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□

Check here if additional transactions are included on separate schedule(s) and print your name and Social Security or Tax Identification Number at the top of each sheet.

Total Preferred Shares Purchased: \_\_\_\_\_

- c. Separately list each and every sale of Loewen Group publicly-traded preferred stock from March 5, 1997 **through** January 14, 1999, inclusive, and provide the following information (*must be documented*):

	Trade Date(s) of Sale (List Chronologically) (Month / Day / Year)	Number of Shares of Preferred Stock	Sales Price Per Share of Preferred Stock	Total Sales Price (net of commissions & taxes)
1.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□
2.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□
3.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□
4.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□

Check here if additional transactions are included on separate schedule(s) and print your name and Social Security or Tax Identification Number at the top of each sheet.

Total Preferred Shares Sold: \_\_\_\_\_

- d. State the total quantity of Loewen Group publicly-traded preferred stock owned at the close of trading on January 14, 1999, long or short (must be documented):
- \_\_\_\_\_

**9.45% Monthly Insured Preferred Securities (MIPS)**

- a. State the total quantity of Loewen Group publicly-traded MIPS owned at the close of trading on March 4, 1997, long or short (must be documented): \_\_\_\_\_
- b. Separately list each and every purchase of Loewen Group publicly-traded MIPS from March 5, 1997 through January 14, 1999, inclusive, and provide the following information (must be documented):

	Trade Date(s) of Purchase (List Chronologically) (Month / Day / Year)	Number of Shares of MIPS	Purchase Price Per Share of MIPS	Total Purchase Price (including commissions & taxes)
1.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□□□
2.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□□□
3.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□□□
4.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□□□

Check here if additional transactions are included on separate schedule(s) and print your name and Social Security or Tax Identification Number at the top of each sheet.

Total MIPS Purchased: \_\_\_\_\_

- c. Separately list each and every sale of Loewen Group publicly-traded MIPS during the period from March 5, 1997 through January 14, 1999, inclusive, and provide the following information (must be documented):

	Trade Date(s) of Sale (List Chronologically) (Month / Day / Year)	Number of Shares of MIPS	Sales Price Per Share of MIPS	Total Sales Price (net of commissions & taxes)
1.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□□□
2.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□□□
3.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□□□
4.	□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□□□

Check here if additional transactions are included on separate schedule(s) and print your name and Social Security or Tax Identification Number at the top of each sheet.

Total MIPS Sold: \_\_\_\_\_

- d. State the total quantity of Loewen Group publicly-traded MIPS owned at the close of trading on January 14, 1999, long or short (must be documented):
- \_\_\_\_\_

**Call Options**

- a. State the total quantity of Loewen Group publicly-traded call options owned at the close of trading on March 4, 1997, long or short (must be documented):

	Trade Date of Purchase (List Chronologically) (Month / Day / Year)	Number of Call Options Owned	Purchase Price Per Call	Option Strike Price	Option Expiration Date (Month / Year)
1.	□□ - □□ - □□	□□□□	\$ □□□□ . □□□□	\$ □□□□ . □□□□	□□ - □□
2.	□□ - □□ - □□	□□□□	\$ □□□□ . □□□□	\$ □□□□ . □□□□	□□ - □□
3.	□□ - □□ - □□	□□□□	\$ □□□□ . □□□□	\$ □□□□ . □□□□	□□ - □□
4.	□□ - □□ - □□	□□□□	\$ □□□□ . □□□□	\$ □□□□ . □□□□	□□ - □□

Check here if additional transactions are included on separate schedule(s) and print your name and Social Security or Tax Identification Number at the top of each sheet.

Total Open Calls: \_\_\_\_\_

- b. Separately list each and every purchase of Loewen Group publicly-traded call options from March 5, 1997 **through** January 14, 1999, inclusive, and provide the following information (*must be documented*):

	Trade Date of Purchase (List Chronologically) (Month / Day / Year)	Number of Call Options Purchased	Purchase Price Per Call	Option Strike Price	Option Expiration Date (Month / Year)	Total Purchase Price (including commissions & taxes)	Check if Expired
1.	□□ - □□ - □□	□□□□	\$ □□. □□□□	\$ □□. □□□□	□□ - □□	\$ □□□□. □□□□	□
2.	□□ - □□ - □□	□□□□	\$ □□. □□□□	\$ □□. □□□□	□□ - □□	\$ □□□□. □□□□	□
3.	□□ - □□ - □□	□□□□	\$ □□. □□□□	\$ □□. □□□□	□□ - □□	\$ □□□□. □□□□	□
4.	□□ - □□ - □□	□□□□	\$ □□. □□□□	\$ □□. □□□□	□□ - □□	\$ □□□□. □□□□	□

Check here if additional transactions are included on separate schedule(s) and print your name and Social Security or Tax Identification Number at the top of each sheet.

Total Calls Purchased: \_\_\_\_\_

- c. Separately list each and every sale of Loewen Group publicly-traded call options from March 5, 1997 **through** January 14, 1999, inclusive, and provide the following information (*must be documented*):

	Trade Date of Sale (List Chronologically) (Month / Day / Year)	Number of Call Options Sold	Sale Price Per Call Option	Option Strike Price	Option Expiration Date (Month / Year)	Total Sales Price (net of commissions & taxes)
1.	□□ - □□ - □□	□□□□	\$ □□. □□□□	\$ □□. □□□□	□□ - □□	\$ □□□□. □□□□
2.	□□ - □□ - □□	□□□□	\$ □□. □□□□	\$ □□. □□□□	□□ - □□	\$ □□□□. □□□□
3.	□□ - □□ - □□	□□□□	\$ □□. □□□□	\$ □□. □□□□	□□ - □□	\$ □□□□. □□□□
4.	□□ - □□ - □□	□□□□	\$ □□. □□□□	\$ □□. □□□□	□□ - □□	\$ □□□□. □□□□

Check here if additional transactions are included on separate schedule(s) and print your name and Social Security or Tax Identification Number at the top of each sheet.

Total Calls Sold: \_\_\_\_\_

- d. Separately list each and every exercise/assign of Loewen Group publicly-traded call options from March 5, 1997 **through** January 14, 1999, inclusive, and provide the following information (*must be documented*):

	Exercised/Assigned Date (Month / Day / Year)	Number of Calls Exercised/Assigned	Option Strike Price	Option Expiration Date (Month / Year)	Exercised	Assigned
1.	□□ - □□ - □□	□□□□	\$ □□. □□□□	□□ - □□	□	□
2.	□□ - □□ - □□	□□□□	\$ □□. □□□□	□□ - □□	□	□
3.	□□ - □□ - □□	□□□□	\$ □□. □□□□	□□ - □□	□	□
4.	□□ - □□ - □□	□□□□	\$ □□. □□□□	□□ - □□	□	□

Check here if additional transactions are included on separate schedule(s) and print your name and Social Security or Tax Identification Number at the top of each sheet.

Total Calls Exercised/Assigned: \_\_\_\_\_

- e. Separately list each and every unsold/unexpired Loewen Group publicly-traded call options held at the close of trading on January 14, 1999, long or short, and provide the following information (*must be documented*):

	Trade Date of Purchase (List Chronologically) (Month / Day / Year)	Number of Call Options Owned	Purchase Price Per Call	Option Strike Price	Option Expiration Date (Month / Year)
1.	□□ - □□ - □□	□□□□	\$ □□. □□□□	\$ □□. □□□□	□□ - □□
2.	□□ - □□ - □□	□□□□	\$ □□. □□□□	\$ □□. □□□□	□□ - □□
3.	□□ - □□ - □□	□□□□	\$ □□. □□□□	\$ □□. □□□□	□□ - □□
4.	□□ - □□ - □□	□□□□	\$ □□. □□□□	\$ □□. □□□□	□□ - □□

Check here if additional transactions are included on separate schedule(s) and print your name and Social Security or Tax Identification Number at the top of each sheet.

Total Calls Unsold/Unexpired: \_\_\_\_\_

13. **CERTIFICATION**

a. I/We hereby certify that I/we purchased or otherwise acquired Loewen Group publicly-traded common stock, preferred stock, call options, or Monthly Insured Preferred Securities from March 5, 1997 through January 14, 1999, inclusive.

b. By submitting this Proof of Claim, I/we state that I/we believe in good faith that I am/we are a member of the Class as defined above and in the Notice of Pendency and Proposed Settlement of Class Action and Settlement Hearing (the "Settlement Notice"), or am/are acting for such person; that I am/we are not a Defendant in the Action or anyone excluded from the Class; that I/we have read and understand the Settlement Notice; that I/we believe that I am/we are entitled to receive a share of the Net Settlement Fund; that I/we elect to participate in the proposed Settlement described in the Settlement Notice; and that I/we have not filed a request for exclusion.

c. I/We have set forth where requested below all relevant information with respect to each purchase or acquisition of Loewen Group publicly-traded common stock, preferred stock, call options, or Monthly Insured Preferred Securities during the Class Period and each sale, if any, of such security.

d. I/We have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase, sale or retention of Loewen Group publicly-traded common stock, preferred stock, call options, or Monthly Insured Preferred Securities listed below in support of my/our claim.

e. I/We understand that the information contained in this Proof of Claim is subject to such verification as the Settlement Administrator may request or as the Court may direct, and I/we agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Settlement Administrator may request additional information as required to efficiently and reliably calculate your Recognized Loss. In some cases acceptance of the claim may be conditioned upon the production of additional information, including, where applicable, information concerning transactions in any derivatives of the subject securities such as options.)

f. Upon the occurrence of the Effective Date (as defined in the Settlement Notice) my/our signature(s) hereto will constitute a full and complete release, remise and discharge by me/us or, if I am/we are submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by my/our, its, his, her or their heirs, executors, administrators, successors, and assigns of each of the "Released Parties" of all "Settled Claims," as defined in the Settlement Notice.

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

**NOTE:** If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the word "NOT" in the certification above. The I.R.S. does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

h. I/We have read the foregoing Proof of Claim and Release and certify that all of the information contained herein, and in the supporting documents attached hereto, is true, correct and complete to the best of my/our knowledge, information and belief, and that this form was executed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ in \_\_\_\_\_ (City), \_\_\_\_\_ (State/Country).

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

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

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

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

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

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

\_\_\_\_\_  
(Capacity of person signing on behalf of Claimant, if other than an individual, e.g., Executor, President, Custodian, etc.)

**THIS PROOF OF CLAIM MUST BE POSTMARKED ON OR BEFORE OCTOBER 24, 2006, AND MUST BE MAILED TO:**

In re Loewen Group, Inc. Securities Litigation  
c/o Heffler, Radetich & Saitta L.L.P.  
P.O. Box 710  
Philadelphia, PA 19105-0710

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

**Reminder Checklist:**

1. Remember to sign the above Proof of Claim and Release.
2. Remember to attach only **copies** of acceptable supporting documentation, a complete list of which can be found on our website.
3. Do not send original securities certificates.
4. Keep a copy of the completed claim form for your own records.
5. If you want an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested, or its equivalent.
6. If you move after submitting your claim form, please send us your new address.
7. If you have any questions or concerns regarding your claim, please contact:

In re Loewen Group, Inc. Securities Litigation  
c/o Heffler, Radetich & Saitta L.L.P.

P.O. Box 710

Philadelphia, PA 19105-0710

Telephone: 1-800-768-8450

Fax: 1-215-665-0613

Website: [www.hrsclaimsadministration.com](http://www.hrsclaimsadministration.com)

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In re Loewen Group, Inc. Securities Litigation  
c/o Heffler, Radetich & Saitta L.L.P.  
P.O. Box 710  
Philadelphia, PA 19105-0710

## **FIRST-CLASS MAIL**

**PLEASE FORWARD—IMPORTANT LEGAL NOTICE**

**If you purchased or otherwise acquired The Loewen Group, Inc., publicly-traded common stock, preferred stock, call options, or Monthly Insured Preferred Securities on the open market from March 5, 1997 through January 14, 1999, inclusive, and were injured thereby, you could receive a payment from a class action settlement.**