

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

EAST MAINE BAPTIST CHURCH, et al.,	X	
	:	
Plaintiffs,	:	Case No. 4:05-cv-962 CAS
	:	
v.	:	(Judge Charles A. Shaw)
	:	
REGIONS BANK, et al.,	:	
	:	
Defendants.	:	
	X	

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT,  
MOTION FOR ATTORNEYS' FEES AND SETTLEMENT FAIRNESS HEARING**

If you purchased or otherwise acquired the Arch Leasing Corporation Trust (“ALCT”) Series 1 Collateral Trust Bonds (“Bonds”) between May 19, 1995 and January 1, 2001, inclusive, and you still own the Bonds, then you could get a payment from a class action settlement.

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

- The settlement will provide up to \$2,100,000 in settlement for the benefit of investors who purchased or otherwise acquired the Bonds of ALCT between May 19, 1995 and January 1, 2001, inclusive, and who are still the owners of the Bonds.
- The settlement resolves a lawsuit over whether the Bonds were properly authenticated during 1995 and whether ALCT was properly administered and its activities properly monitored by the Indenture Trustee.
- Your legal rights are affected whether you act or do not act. **Read this notice carefully!**

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:</b>	
<b>SUBMIT A CLAIM FORM BY November 26, 2008</b>	The only way to get a payment from the settlement.
<b>EXCLUDE YOURSELF BY June 30, 2008</b>	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Defendants and the other Released Parties with regard to the Settled Claims.
<b>OBJECT BY June 30, 2008</b>	Write to the Court about why you do not like the settlement.
<b>GO TO A HEARING ON August 28, 2008</b>	Ask to speak in Court about the settlement.
<b>DO NOTHING</b>	Get no payment. Give up rights.

- These rights and options — **and the deadlines to exercise them** — are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after appeals are resolved. Please be patient.

## SUMMARY NOTICE

### Statement of Plaintiff Recovery

Pursuant to the settlement described here, a Net Settlement Amount of \$2,100,000 has been proposed subject to the approval of the Court. Plaintiffs state that the total face amount of the Bonds issued in 1995 was \$14,011,000.00. During the period June 1995 through May 1998, the Bondholders received payment of interest in the amount of \$3,904,835. During the period May 1998 through 2001, the Bondholders received payment of at least \$5,544,859 in principal. Therefore, during the period June 1995 through 2001, the Bondholders received payment of at least \$9,449,694 or an average of \$674.45 per \$1,000.00 face amount of Bonds. Plaintiffs state that the average recovery per \$1,000.00 face amount of Bonds under the settlement is \$149.88. An additional Settlement Amount of up to \$700,000.00 will be available for Court-awarded attorneys' fees and expenses and a portion of the costs and expenses of the Claims Administrator. If a Class Member submits a Qualifying Claim, a Class Member's actual recovery will depend upon the total of the face amount of the Bonds owned by the Class Member. This Notice describes the rights you may have in connection with the Settlement and what steps you may take in relation to the Settlement and this Class Action, as well as the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement.

### Statement of Potential Outcome of Case

The parties disagree on both liability and damages and do not agree on the average amount of damages per \$1,000 face amount of Bonds that would be recoverable if Plaintiffs were to have prevailed on each claim alleged. The Defendants deny that they are liable to Plaintiffs or the Class and deny that Plaintiffs or the Class have suffered any damages. The issues on which the parties disagree include: (a) whether Defendants' pending motions for summary judgment of several Counts of the Complaint would be granted by the Court, thereby dismissing many of the claims; (b) whether any of the allegations and claims asserted in the Complaint were the cause of the loss on the Bonds or whether the cause was the unanticipated market decrease in the value of used computer equipment; (c) whether the statute of limitations would bar the major claims asserted in the Complaint; (d) the effect of various market forces on the value of the used computers and on the sale of the assets of ALCT in 1998 and 1999; (e) whether the Indenture Trustee acted properly in authenticating the Bonds, in monitoring the activities of ALCT and in participating in the liquidation of the assets of ALCT so the proceeds could be paid to the Bondholders; and, (f) whether actions or omissions alleged were material or otherwise actionable under the federal Trust Indenture Act.

It is undisputed that during the period 1995 through 2001, the Bondholders were paid over \$9,449,694 including \$3,904,835 in interest and over \$5,544,859 in principal. The Bondholders received back over 67% of the amount they invested.

### Statement of Attorneys' Fees and Costs Sought

Class Counsel and Additional Class Counsel are asking the Court to award attorneys' fees and for reimbursement of expenses incurred in connection with the prosecution of this Action in an amount not to exceed 25 percent of the Gross Settlement Amount of \$2,800,000.00, or the approximate amount of \$700,000.00. The requested fees and expenses would amount to an average of \$50 per \$1,000.00 of face amount of Bonds issued in 1995. Class Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent-fee basis, and have advanced the expenses of the litigation, in the expectation that if they were successful in obtaining a recovery for the Class 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 Action and this Notice may be obtained by contacting Class Counsel: Mark Goodman and Gary Sarachan of the law firm of Capes, Sokol, Goodman & Sarachan, P.C. , 7701 Forsyth Blvd., 12<sup>th</sup> Floor, St. Louis, MO 63105; telephone 314-721-7701. DO NOT CONTACT THE COURT.

### Reasons for the Settlement

Class Counsel recognizes and acknowledges the expense and length of continued proceedings, trial and appeals. Class Counsel also has taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Class Action, and Class Counsel is also mindful of the inherent problems of proof under and the possible defenses asserted in the Class Action, including the defenses asserted by Defendants during the litigation, in motions to decertify the Class, in several motions for summary judgment, in settlement negotiations and in the mediation proceedings. Based on investigation, Class Counsel also considered that the Doster law firm, and some of the individual defendants (Robert Chlebowski, Lynette Frownfelter and Michael Doster) do not have assets sufficient to satisfy a judgment should one be entered in favor of the Class and any potential exposure those Defendants may have is not covered by insurance. The settlement amounts to be paid will be paid by Marshall and Stevens, Inc. or its insurer and Regions Bank (hereinafter the "Paying Defendants").

Class Counsel also believes that a significant reason for the settlement is the benefit to be provided to the Class Members now. In light of the amount of the Settlement and the recovery payable to the Class Members, the Plaintiff Representatives and Class Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class Members. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future, in which the Defendants would have the opportunity to assert substantial defenses to the claims asserted against them.

The Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Plaintiffs on behalf of the Class Members and deny all allegations of wrongdoing or liability whatsoever. Nonetheless, Defendants have concluded that further conduct of the Class Action would be protracted and expensive, and that it is desirable that the Class Action be fully and final-

ly settled in the manner and upon the terms and conditions set forth in the Stipulation in order to limit further expense, inconvenience and distraction, and to dispose of the burden of protracted litigation and the diversion of the Defendants' personnel with respect to matters at issue in the Class Action. The Settling Defendants have also taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this litigation. The Settling Defendants entered into the Stipulation and Settlement without in any way acknowledging any fault, liability, or wrongdoing of any kind. There has been no adverse determination by any court against any of the Settling Defendants on the merits of the Claims asserted by the Plaintiffs. Neither the Stipulation, nor any of its terms and provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by any of the Settling Defendants of the merit or truth of any of the allegations stated in the Third Amended Complaint filed by the Plaintiffs in this Class Action.

**WHAT THIS NOTICE CONTAINS**

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## BASIC INFORMATION

### 1. Why did I get this notice package?

You or someone in your family may have purchased or otherwise acquired the Arch Leasing Corporation Trust Series 1 Collateral Trust Bonds between May 19, 1995 and January 1, 2001, inclusive. The Court directed that this notice be sent to Class Members because they have a right to know about a proposed settlement of a class action lawsuit, and about all of their options, before the Court decides whether to approve the settlement. If the Court approves the settlement, and after objections and appeals are resolved, an administrator appointed by the Court will make the payments that the settlement allows.

This package explains the lawsuit, the settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Eastern District of Missouri, Eastern Division, and the case is known as East Maine Baptist Church, et al. v. Regions Bank, et al., Case No. 4:05-CV-00962. The people who sued are called Plaintiffs, and the companies and the persons they sued (Regions Bank, Marshall & Stevens, Inc., Doster, James, Hutchison & Ullom, P.C. (the former law firm for ALCT), J.E. Liss & Company, Inc. (the underwriter for the sale of the Bonds) and Michael Doster (the former attorney for ALCT), Robert A. Chlebowski (the former president of Arch Management Corporation, the Managing Trustee of ALCT and the former president and CEO of St. Louis Leasing Corporation, the Marketer of ALCT), Lynette A. Frownfelter (the former vice-president of Arch Management Corporation and former president of Arch Leasing Corporation, the Servicer/Administrator to ALCT) and Jerome E. Liss (the president of J.E. Liss and Company, Inc.)) are called Defendants. The Settling Defendants are all of the Defendants except Jerome Liss and J.E. Liss and Company.

### 2. What is this lawsuit about?

The Third Amended Class Action Petition ("Complaint") filed on June 2, 2005 generally makes the allegations and sets forth the following claims ("Claims"), among other things.

A trial has not been held on the Claims, and the following is a summary of the Plaintiffs'/Class Representatives' allegations. The Defendants deny the Claims and assert that they have not engaged in any conduct which would make them liable to the Bondholders.

The Class Representatives alleged that ALCT was in the business of purchasing new computer equipment and leasing that equipment to other businesses. The details of ALCT's business were set forth in an April 13, 1995 Prospectus ("Prospectus"). Between May 19, 1995 and November 30, 1995, ALCT sold Bonds with a face amount of \$14,011,000. ALCT used the net proceeds from the sale of the Bonds and borrowed additional funds from Senior Lenders (banks and other lenders) to purchase the computer equipment for leasing. The proceeds from the leases were used to pay back the Senior Lenders and some interest on the Bonds. When the leases expired or were terminated, the used equipment was to be returned and sold and the net proceeds from the sale of the used computer equipment was intended to be used to pay the principal on the Bonds three years after the Bonds were sold. In May 1998, as the first Bonds matured and required payment of the principal, ALCT was unable to pay the entire principal on all of the Bonds. ALCT then filed suit (the "Equity Case") in St. Louis County Circuit Court (the "Circuit Court") to prevent the payment of any principal amounts on the Bonds until so ordered by the Circuit Court. Because the principal amount due to be paid to the Bondholders on May 19, 1998 was not paid, the Indenture Trustee, the Bank, declared a default on the Bonds. The Circuit Court subsequently ordered the assets of ALCT to be sold and, after a hearing, approved the sale of the remaining leases. The Circuit Court entered various orders ordering distributions *pro rata* of the principal amounts to the Bondholders.

A. The Class Representatives claim that Magna Trust Company which was merged into Magna Bank, N.A., which was merged into Union Planters Bank, N.A., which was merged into Defendant Regions Bank (hereinafter the "Bank") violated its obligations as Indenture Trustee under the Bond Indenture in a number of ways. Among other things, the Class Representatives claim that the Bank improperly authenticated some of the Bonds, improperly administered the Trust Accounts, and alleged that the Bank did not adequately handle the sale of the assets even though the terms of the sale of ALCT's portfolio were presented to and approved by the court and the majority of the Bondholders who responded to a poll about whether the portfolio should be sold voted to sell it.

The Bank denies these claims and many of the allegations made by the Class Representatives. The Bank also asserts that the Claims against it will fail for a number of other reasons. The Bank asserts that the reason the investors lost some of their investment was because of the unanticipated drop in the value of used computers between 1995 when the Bonds were sold and 1998 when the used computers were to be sold and the principal on the Bonds paid. The Bank asserts that the Claims are precluded, and many of the issues necessary for the Claims to succeed are precluded because of the holdings in other cases — including a bankruptcy case for St. Louis Leasing Corporation and an equity case by ALCT — in which the Bank was found to have acted reasonably and prudently on behalf of the Bondholders and the courts approved much of the conduct that the Class Representatives now allege was improper. The Bank also asserts that the terms of the Trust Indenture and the Bonds bar the Claims asserted in this Lawsuit. The Bank asserts that some of the Claims in this Lawsuit are based upon false information and that some of the Claims are not supported by the law. The Bank asserts that some of the Claims in this Lawsuit will fail because a majority of the Bondholders approved the actions with written ballots. The Bank asserts that the Claims against it are barred because they are untimely. The Bank asserts that many of the Claims asserted are not supported by the law and that the Bank did not have the obligations as alleged.

The Bank also asserts that the Bondholders were paid over \$9,400,000 including over \$3,900,000 in interest and over \$5,500,000 in principal. The Bank asserts that the Bondholders received back over 67% of the amount they invested. Thus any damages that the Bondholders might recover if they prevailed on any of the Claims would be limited.

B. Defendant Robert A. Chlebowski was the president, treasurer and a director of Arch Management Corporation, which acted as Managing Trustee of ALCT; president, chief executive officer and a director of St. Louis Leasing Corporation, which acted as Marketer to ALCT; and, a director of Arch Leasing Corporation, which acted as Servicer/Administrator to ALCT. The Class

Representatives allege that Chlebowski violated his duties and/or committed other actionable wrongs in a number of ways and that Chlebowski violated his fiduciary duty as Trustee of the ALCT. Chlebowski denies that he violated any fiduciary duty or engaged in any misconduct of any kind.

C. Defendant Lynnette A. Frownfelter was the vice-president, secretary and a director of Arch Management Corporation, and president and a director of Arch Leasing Corporation. The Class Representatives' Claims against her are similar to those against Defendant Chlebowski. Frownfelter denies the Plaintiffs' allegations and specifically denies misconduct of any kind.

D. Defendant Michael J. Doster and his law firm, Defendant Doster, James, Hutchison & Ullom, P.C., (hereinafter collectively the "Doster Defendants") served as legal counsel to ALCT in connection with the issuance of the Bonds. The Class Representatives allege that the Doster Defendants breached minimum standards of professional competence in their legal work for ALCT.

The Doster Defendants deny these claims. The Doster Defendants assert that the opinion letters prepared by counsel did not contain any false or misleading statements. The Plaintiffs cannot establish the elements of a legal malpractice claim against the Doster Defendants, including negligence, causation or damages proximately caused by the events alleged in the pleadings. The Doster Defendants assert that there was no attorney-client relationship between the Plaintiffs and the Doster Defendants, and the Doster Defendants deny the existence of any legal duty toward the Plaintiffs. The Doster Defendants also assert that Plaintiffs lack any competent expert testimony to support their claims against the Doster Defendants.

E. The Prospectus provided that "The anticipated value of Equipment upon termination of a related Lease ("Residual Value") will be determined by a qualified, unaffiliated appraisal firm at the inception of such Lease." ALCT hired Defendant Marshall & Stevens, Inc. (hereinafter "Marshall & Stevens") to perform these residual value appraisals. The Class Representatives allege that Marshall & Stevens breached its duties of care to the Bondholders by failing to perform such appraisals on a timely basis and failing to exercise independent judgment in performing such appraisals.

Marshall & Stevens denies these claims. Marshall & Stevens asserts that the terms of the Bonds bar the Claims asserted in this lawsuit. Marshall & Stevens asserts that any appraisals, statements, opinions or reports prepared by its employees or representatives which related in any way to the marketing, issuance and sale of Bonds were the product of reasonable and independent investigation. Marshall & Stevens asserts that any claimed losses incurred by the Bondholders were caused by and were the result of other market factors, including equipment depreciation, bearing upon the value of Bonds. Marshall & Stevens also asserts that the Claims against it are barred because they are untimely.

F. Defendant J.E. Liss & Company, Inc. ("Liss & Company") was the Managing Placement Agent (or underwriter) of the Arch Bonds. Defendant Liss & Company's duties included, but were not limited to, the drafting and review of documents with respect to the issuance of the Bonds, and acting as the exclusive agent to solicit subscriptions for the Bonds in accordance with the terms of the Registration Statement, the Prospectus and the Managing Placement Agent Agreement. Defendant Jerome E. Liss ("Liss") was president and chief executive officer of Liss & Company at all pertinent times. The Class Representatives allege that Defendants Liss and Liss & Company fraudulently or negligently made misrepresentations or misleading statements of a material fact known to them.

### 3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case Plaintiffs East Maine Baptist Church, Norma Ducommun, Susan Duever, Dorothy Earle, John Schultheis, and Commercial Mortgage & Finance Company) sue on behalf of people who have similar claims. All these people are a Class or Class Members. Bringing a case, such as this one, as a class action allows adjudication of many similar claims of persons and entities that might be economically too small to bring as individual actions. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

### 4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, both sides agreed to a settlement. That way, they avoid the risks and cost of a trial, and the people affected will get compensation. See also **Reasons for the Settlement** above. The Class Representatives and their attorneys think the settlement is best for all Class Members.

### WHO IS IN THE SETTLEMENT?

To see if you will get money from this settlement, you first have to decide if you are a Class Member.

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

The Court directed, for the purposes of the proposed settlement, that everyone who fits this description is a Class Member: All persons who, at any time between May 1, 1995 and November 30, 1995, purchased Series 1 Collateral Trust Bonds (the "Bonds") issued by the Arch Leasing Corporation Trust ("ALCT"), or their successors prior to January 1, 2001 and who continue to own the Bonds.

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

The following persons are excluded from the Class ("Excluded Persons"): (a) ALCT and any person affiliated with ALCT, including, but not limited to, Arch Management Corporation, Arch Leasing Corporation, St. Louis Leasing Corporation and any of its subsidiaries, and any past or present employees of those entities; (b) any underwriter, broker or broker dealer; (c) any past or present trustees, officers or directors of any of the entities described in (a) or (b) above; (d) the spouse or children of any of the foregoing persons; and, (e) any heirs, successors, assigns and legal representatives of any excluded party.

Also excluded from the Class are any potential Class Members (persons who, at any time between May 1, 1995 and January 1, 2001, acquired the Bonds) who exclude themselves by filing a valid request for exclusion in accordance with the requirements set forth below.

## THE SETTLEMENT BENEFITS — WHAT YOU GET

### 7. What does the settlement provide? What is the Plan of Allocation?

In exchange for the settlement and dismissal of the Class Action, the Bank and Marshall & Stevens have agreed to pay up to \$2,100,000, to be paid to those Class Members who send in a valid Proof of Claim and Release form. The Bank and the insurer of Marshall & Stevens have agreed to pay up to \$2,800,000, the Gross Settlement Amount. The Settlement agreement provides that the current Class Counsel appointed by the Court may apply for (1) attorneys' fees, (2) expenses incurred in the prosecution of the Class Action, and (3) one-third of the fees and expenses of the Claims Administrator, in a total amount not to exceed 25% of the Gross Settlement Amount, or \$700,000.00.

Twenty-five percent (25%) of the Gross Settlement Amount shall be deducted from the Gross Settlement Amount to determine the "Net Settlement Amount", or \$2,100,000.00. The Net Settlement Amount shall be divided by 14,011 (a number based on the total dollar amount of Bonds sold) to determine the amount to be paid. The amount to be paid to each Bondholder that timely files a valid Proof of Claim and Release ("Qualifying Claim") is \$149.88 for each \$1,000 of face amount of Bond owned by the Bondholder. For example, if a Bondholder owns a Bond with a face value of \$10,000.00 the Settlement Amount to be paid would be \$1,498.82. A Qualifying Claim is defined as a properly completed Proof of Claim and Release form (1) verifying that the Claimant is the owner of the Bond and stating the dollar amount of Bonds owned, (2) verifying that the claim and Bonds have not been sold, transferred, pledged or assigned to another person or entity, (3) verifying that the claimant is a member of the Class as defined above in Question 5 and not excluded as defined above in Question 6, and (4) if the dollar amount of the Bond and the Bondholder's name agrees with the Bank's record of Bondholders as of January 17, 2001.

### 8. How much will my payment be?

If you are an eligible Class Member, your share of the fund will depend on the total face amount of the Bonds you own as of January 2001 as stated on the valid Proof of Claim forms that Class Members send in and verified by the list dated January 17, 2001 of Bondholders and face amounts of Bonds owned by such Bondholders as of January 2001. You can calculate the amount of the payment to you in accordance with the formula shown in Question 7 above.

## HOW YOU GET A PAYMENT — SUBMITTING A PROOF OF CLAIM FORM

### 9. How can I get a payment?

TO QUALIFY FOR A PAYMENT, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE. Read the instructions carefully, fill out the Proof of Claim form, sign it, and mail it post marked no later than **November 26, 2008** to the Claims Administrator at the address indicated below. If you do not timely submit a valid Proof of Claim, you will be barred from receiving any Settlement payment, but will in all other respects be bound by the provisions of the Stipulation and the Judgment.

### 10. When would I get my payment?

The Court will hold a hearing on August 28, 2008, to decide whether to approve the settlement. Distributions will be made after all Qualifying Claims have been processed and after the Court has finally approved the Settlement. If the Court approves the Settlement and there are no appeals, payment would be made approximately six or seven months after the time for appeals has passed. After the Court approves the Settlement there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed. Please be patient.

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

Unless you exclude yourself, you are staying in the Class, and that means that you will release all "Settled Claims" (as defined below) against the "Released Parties" (as defined below).

"Settled Claims" shall collectively mean any and all claims, demands, rights, causes of action or liabilities, of every nature and description whatsoever, whether based in law or equity, on federal, state, local, statutory or common law, or any other law, rule or regulation, including both known claims and Unknown Claims (as defined below) that have been or could have been asserted in any forum by any of the Class Members, or the successors or assigns of any of them, whether directly, indirectly, derivatively, representatively or in any other capacity against any of the Released Parties, which arise out of or relate in any way, directly or indirectly, to the allegations, transactions, facts, events, matters, occurrences, acts, representations or omissions involved, set forth, or referred to, or that could have been asserted in the Class Action, including without limitation, claims for breach of contract, claims for negligence, gross negligence, breach of duty of care, breach of duty of loyalty, breach of duty of candor, fraud, negligent misrepresentation, and breach of fiduciary duty, arising out of, based upon or related in any way to (a) the purchase, acquisition, sale, authentication, issuance or disposition of Arch Leasing Corporation Trust Series 1 Collateral Bonds, (b) the facts, transactions, events, occur-

rences, acts, disclosures, statements, omissions or failures to act which were or could have been alleged in the Class Action, (c) any claims arising out of the Indenture Agreement dated January 31, 1995, (d) the handling of the Trust Accounts, and (e) any matters arising out of the administration of ALCT, the administration by the Indenture Trustee and the sale of its assets.

“Released Parties” means any and all of the following Persons: Regions Bank, Marshall & Stevens, Inc., Doster, James, Hutchison & Ullom, P.C., Michael Doster, Robert Chlebowski, Lynette Frownfelter, and their respective past or present directors, officers, employees, partners, members, principals, agents, underwriters, insurers, co-insurers, re-insurers, controlling shareholders, attorneys, law firms, accountants or auditors, banks or investment banks, associates, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, any entity in which any Defendant has a controlling interest, any members of their immediate families, or any trust of which any Defendant is the settlor or which is for the benefit of any Settling Defendant and/or member(s) of their family or which is or was related to or affiliated with any of the Settling Defendants, and the legal representatives, heirs, successors in interest or assigns of the Settling Defendants.

“Unknown Claims” shall mean any Settled Claims which the Plaintiffs or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties which, if known by him, her, or it, might have affected his, her or its decision not to object to, or opt out of, this Settlement. With response to any and all Settled Claims, the Class Members and Settling Defendants stipulate and agree that, upon the approval of the Settlement by the Court, the Plaintiffs expressly waive and relinquish, and the Class Members shall be deemed to have, and by operation of the Judgment to be entered by the Court shall have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of §1542 of the California Civil Code, which provides:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

If you remain a member of the Class, all of the Court’s orders will apply to you and legally bind you.

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

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue Defendants and the other Released Parties, on your own, about the Settled Claims, then you must take steps to get out. This is called excluding yourself — or is sometimes referred to as “opting out” of the Class.

#### **12. How do I get out of the proposed settlement?**

To exclude yourself from the Settlement and the Class, you must send a signed letter by mail stating that you “request exclusion from the Class in East Maine Baptist Church, et al. v. Regions Bank, et al., Case No. 4:05-CV-00962.” Your letter should state the dates and dollar amount of all of the purchases and/or acquisitions of Arch Leasing Corporation Trust Series 1 Collateral Bonds that you own. In addition, be sure to include your name, address, telephone number, and your signature. **TO BE VALID, A REQUEST FOR EXCLUSION MUST STATE ALL OF THE FOREGOING INFORMATION. YOUR EXCLUSION REQUEST MUST BE POSTMARKED ON OR BEFORE JUNE 30, 2008 AND MAILED TO:**

ALCT Settlement Exclusions  
c/o RSM McGladrey, Inc.  
Claims Administrator  
P.O. Box 1387  
Blue Bell, PA 19422

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not get 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 may be able to sue (or continue to sue) Defendants and the other Released Parties in the future.

#### **13. If I do not exclude myself, can I sue Defendants and the other Released Parties for the same thing later?**

No. Unless you exclude yourself, you give up any rights to sue the Settling Defendants and the other Released Parties for any and all Settled Claims. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is June 30, 2008.

#### **14. If I exclude myself, can I get money from the proposed settlement?**

No. If you exclude yourself, do not send in a Proof of Claim and Release form to ask for any money. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against Defendants and the other Released Parties.

### **THE LAWYERS REPRESENTING YOU**

#### **15. Do I have a lawyer in this case?**

The Court ordered that the law firm of Capes, Sokol, Goodman & Sarachan, P.C. represent all Class Members. These lawyers are called Plaintiffs’ Counsel or Class Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Class Counsels’ fees and expenses, which will be paid from the Gross Settlement Amount. The Court has also approved

the appointment of the law firm of Armstrong Teasdale LLP to serve as Additional Class Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of fees and expenses to be paid to Additional Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

**16. How will the lawyers be paid?**

Class Counsel and Additional Class Counsel intend to ask the Court to award attorneys' fees and expenses they incurred in connection with the prosecution of this case and a portion of the cost and expenses of the Claims Administrator, from the Gross Settlement Amount in an amount not to exceed 25 percent of the Gross Settlement Amount of \$2,800,000, or \$700,000.00. If the application(s) for attorneys' fees and expenses is approved by the Court in the amount stated, the average cost per \$1,000 face amount of the Bonds would be approximately \$50.00. The fee request by Class Counsel and Additional Class Counsel would compensate counsel for its efforts in pursuing claims for the Class, achieving the Settlement for the benefit of the Class, and for their risk in undertaking the representation on a contingency basis.

THE COURT HAS NOT EXPRESSED ANY OPINION ON THE APPLICATION FOR ATTORNEYS' FEES, REIMBURSEMENT OF EXPENSES AND REIMBURSEMENT OF THE CLAIMS ADMINISTRATOR'S FEES AND EXPENSES.

**OBJECTING TO THE SETTLEMENT**

You can tell the Court that you do not agree with the Settlement or some part of it.

**17. How do I tell the Court that I do not like the proposed settlement?**

If you are a Class Member you can object to the Settlement or any of its terms, the proposed Plan of Allocation and/or the application by Class Counsel and Additional Class Counsel for an award of fees and expenses. You may write to the Court setting out your objection. You may give reasons why you think the Court should not approve any or all of the Settlement terms or arrangements. The Court will consider your views if you file a proper objection within the deadline identified, and according to the following procedures.

To object, you must send a signed letter stating that you object to the proposed Settlement in East Maine Baptist Church, et al. v. Regions Bank, et al., Case No. 4:05-CV-00962. The notice of objection must include your name, address, telephone number, and your signature, identify the dates of acquisition and the face amount of the Bonds you own, and contain a statement of the reasons why you object to the Settlement. Your objection must be filed with the Court and served on all the following counsel on or before **June 30, 2008**.

**THE COURT:**

Clerk of the Court  
United States District Court for the Eastern District of Missouri  
111 S. 10<sup>th</sup> Street, Suite 3.300  
St. Louis, MO 63102

**CLASS COUNSEL:**

Mark Goodman  
Gary Sarachan  
Capes, Sokol, Goodman & Sarachan, P.C.  
7701 Forsyth Boulevard, 12<sup>th</sup> Floor  
St. Louis, MO 63105

**ADDITIONAL CLASS COUNSEL:**

Paul E. Kovacs  
Jay A. Summerville  
Armstrong Teasdale LLP  
One Metropolitan Square, Suite 2600  
St. Louis, MO 63102-2740

**DEFENDANTS' COUNSEL:**

John C. Rasp  
Michael Clithero  
Husch Blackwell Sanders LLP  
720 Olive Street, 24<sup>th</sup> Floor  
St. Louis, MO 63101

Frank Susman  
Andrew Dillon  
Gallop, Johnson & Neuman, LC  
101 South Hanley, 16<sup>th</sup> Floor  
St. Louis, MO 63105

Richard Gray  
Moser & Marsalek, P.C.  
200 N. Broadway, Suite 700  
St. Louis, MO 63102

Martin Green  
David Butsch  
Green, Schaaf & Jacobson, P.C.  
7733 Forsyth Boulevard, Suite 700  
St. Louis, MO 63105

You do not need to go to the Settlement Fairness Hearing (as defined below) to have your written objection considered by the Court. At the Settlement Fairness Hearing, any Class Member who has not previously submitted a request for exclusion from the Class and who has complied with the procedures set out in this question and question 21 below for filing with the Court and providing to counsel for Plaintiffs and Defendants a statement of intention to appear at the Settlement Fairness Hearing may also appear at that hearing and be heard, to the extent allowed by the Court, to state any objection to the Settlement, the Plan of Allocation or

Class Counsel's or Additional Class Counsel's request for attorneys' fees and reimbursement of expenses. Any such objector may appear in person or arrange, at that objector's expense, for a lawyer to represent the objector at the Hearing.

Unless otherwise ordered by the Court, any Class Member who does not object in the manner described herein will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the application for attorneys' fees and reimbursement of litigation expenses, and/or the proposed Plan of Allocation.

**18. What is the difference between objecting and excluding?**

Objecting is simply telling the Court that you do not like something about the proposed Settlement. 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 Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

**THE SETTLEMENT FAIRNESS HEARING**

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you are not required to do so.

**19. When and where will the Court decide whether to approve the proposed settlement?**

The Court will hold a Settlement Fairness Hearing at 10:00 a.m. on the 28th day of August, 2008, before the Honorable Charles A. Shaw at the United States Courthouse for the United States District Court for the Eastern District of Missouri, Eastern Division, 111 S. 10<sup>th</sup> Street, Suite 12.148, St. Louis, MO 63102 (the "Settlement Hearing."). At this hearing, the Court will consider whether the Settlement is fair, reasonable and adequate. At the Settlement Fairness Hearing, the Court also will consider the application of Class Counsel and Additional Class Counsel for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections filed in accordance with the instructions at question 17. The Court also may listen to people who have properly indicated, within the deadline identified above, an intention to speak at the hearing; but, decisions regarding the conduct of the hearing will be made by the Court. See question 21 for more information about speaking at the hearing. The Court may also decide how much to pay to Class Counsel and Additional Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Fairness Hearing. Thus, if you want to come to the hearing, you should check with Class Counsel before coming to be sure that the date and/or time has not changed.

**20. Do I have to come to the hearing?**

No. Class Counsel will answer questions the Court 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 filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

**21. May I speak at the hearing?**

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Fairness Hearing. To do so, you must include with your objection (see question 17 above) a statement stating that it is your "Notice of Intention to Appear in East Maine Baptist Church, et al. v. Regions Bank, et al., Case No. 4:05-CV-00962." Persons who intend to object to the Settlement, and/or Class Counsel's or Additional Class Counsel's Application for an award of attorneys' fees 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. You cannot speak at the hearing if you excluded yourself from the Class or if you have not provided written notice of your intention to speak at the Settlement Fairness Hearing by the deadline identified, and in accordance with the procedures described in questions 17 and 20 above.

**IF YOU DO NOTHING**

**22. What happens if I do nothing at all?**

If you do nothing, you will get no money from this settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Settling Defendants and the other Released Parties about the Settled Claims in this case, ever again. To share in the Net Settlement Amount you must submit a Proof of Claim and Release form (see question 9). To start, continue or be a part of any other lawsuit against the Settling Defendants and the other Released Parties about the Settled Claims in this case you must exclude yourself from this Class (see question 12).

## GETTING MORE INFORMATION

### 23. Are there more details about the proposed settlement?

This Notice summarizes the proposed Settlement. More details are in a Stipulation and Agreement of Settlement filed with the Court on or before March 3, 2008 ("Stipulation"). You can get a copy of the Stipulation by writing to Mark Goodman or Gary Sarachan, at Capes, Sokol, Goodman & Sarachan, P.C., 7701 Forsyth Boulevard, 12<sup>th</sup> Floor, St. Louis, MO 63105.

### 24. How do I get more information?

For even more detailed information concerning the matters involved in this lawsuit, reference is made to the pleadings, the Stipulation, the orders entered by the Court and the other papers filed in the lawsuit, which may be inspected at the Office of the Clerk, United States District Court for the Eastern District of Missouri, Eastern Division, 111 S. 10<sup>th</sup> Street, Suite 3.300, St. Louis, MO 63102.

### SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased or otherwise acquired the Arch Leasing Corporation Trust Series 1 Collateral Trust Bonds during the period May 19, 1995 through January 1, 2001, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, **WITHIN TEN DAYS OF YOUR RECEIPT OF THIS NOTICE**, you either: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased or acquired the Bonds during such time period; or (b) request additional copies of this Notice and the Proof of Claim and Release form, which will be provided to you free of charge, and within ten days mail the Notice and Proof of Claim and Release form directly to the beneficial owners of the Bonds. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

ALCT Bond Settlement  
c/o RSM McGladrey, Inc.  
Claims Administrator  
P.O. Box 1387  
Blue Bell, PA 19422  
1-800-222-2760

Dated: St. Louis, Missouri  
April 3, 2008

By Order of the Court  
CLERK OF THE COURT