

**THIS IS A NOTICE OF A PROPOSED CLASS ACTION SETTLEMENT  
FROM THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO / OAKLAND DIVISION

RENEE FASSBENDER AMOCHAEV, DEBORAH ORLANDO, KATHRYN N. VARNER and IVY  
SO, on behalf of themselves and all others similarly situated,

Plaintiffs,

v.

CITIGROUP GLOBAL MARKETS, INC., d/b/a SMITH BARNEY,

Defendant.

Case No. C-05-1298 PJH

**NOTICE OF CLASS ACTION, PROPOSED SETTLEMENT AGREEMENT, AND  
SETTLEMENT HEARING**

**IF YOU ARE FEMALE AND WERE EMPLOYED AS A FINANCIAL ADVISOR OR  
FINANCIAL CONSULTANT WITH CITIGROUP GLOBAL MARKETS, INC., d/b/a SMITH  
BARNEY OR ITS PREDECESSOR(S) IN THE UNITED STATES BRANCHES OF SMITH  
BARNEY'S RETAIL BROKERAGE DIVISION AT ANY TIME FROM AUGUST 30, 2003  
THROUGH MARCH 1, 2008 OR ARE A FEMALE AND WERE EMPLOYED AS A  
FINANCIAL ADVISOR WITH CITIGROUP GLOBAL MARKETS, INC., d/b/a SMITH  
BARNEY OR ITS PREDECESSOR(S) IN THE CALIFORNIA BRANCHES OF SMITH  
BARNEY'S RETAIL BROKERAGE DIVISION FROM JUNE 25, 2003 THROUGH MARCH 1,  
2008, A PROPOSED CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.**

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

Please read this Notice carefully and fully. This Notice describes a proposed settlement and related matters, including the procedures for seeking monies from a Settlement Fund.

This Notice is intended to inform you about the terms of a proposed settlement (the "Settlement") of a pending legal action and your rights in connection with this Settlement. This Notice describes the steps you must take to be eligible to receive Settlement Fund monies if this Settlement is finally approved by the Court. If you do not wish to be part of the class, this Notice details the steps you must take to be excluded from the class.

## General Overview

Renee Fassbender Amochaev, Deborah Orlando, Kathryn N. Varner and Ivy So (“Plaintiffs”), former Financial Advisors, on behalf of themselves and all other current and former Smith Barney female Financial Advisors, have sued Citigroup Global Markets, Inc. d/b/a Smith Barney (“Smith Barney” or “the Company”) for gender discrimination. After extensive discussions, the Plaintiffs and the Company have agreed on the terms of a Settlement.

Smith Barney denies that it has done anything wrong, and the Court did not make a determination on that issue. However, the Company has agreed to be bound by the terms of this Settlement.

The Court has reviewed the Settlement and has given it preliminary approval. Before deciding whether to grant final approval to the Settlement, the Court wishes to inform you of the general terms of the Settlement, what actions you need to take to participate in the monetary provisions of the Settlement, and of your rights to opt-out of the monetary relief portion of the Settlement or to object to the Settlement, if you would like to do so.

- The Court has allowed the following Class to assert claims for monetary relief:

All women employed as Financial Advisors with Smith Barney in (i) the United States branches of Smith Barney’s Retail Brokerage Division at any time from August 30, 2003 through March 1, 2008 or (ii) in the California branches of Smith Barney’s Retail Brokerage Division at any time from June 25, 2003 through March 1, 2008. The Class does not include, among others: (i) brokers in Smith Barney’s Financial Life Services (FLS) program, (ii) Smith Barney’s bank-based advisors; or (iii) Financial Advisor Associates.

If you fit one of the above definitions, then you are a Class Member. This Notice will explain the terms of the Settlement that will be presented to the Court for final approval.

If the Court grants final approval to the Settlement, the changes to be made to the Company’s policies and practices, known as “programmatically relief,” will apply to all women who are currently employed as Financial Advisors in the United States branches of Smith Barney’s Retail Brokerage Division, including Class Members who opt-out of the Settlement. It is not possible to opt-out of the programmatically relief portion of the Settlement.

If, after reviewing the terms of the Settlement you would like to participate in the Settlement by making a claim for monetary relief, then you must fill out the attached Claim Form.

If you want to opt-out of the Settlement and not receive any monetary relief through this Settlement, or you want to object to the Settlement before the Court, this Notice will describe the procedures to do so.

The Court will hold a Settlement Hearing to consider whether the Settlement is fair, reasonable, and adequate, and to decide whether to give final approval to this Settlement. The hearing will be held at 9:00 a.m. on August 13, 2008, in the courtroom of the Honorable Phyllis Hamilton at the United States District Court for the Northern District of California, Courtroom 3, U.S. Courthouse, 450 Golden Gate Avenue, San Francisco, California 94102. If the Court grants final approval of the Settlement after the Settlement Hearing, the Court’s judgment will be final and binding.

- You are not required to appear at the hearing. If you are a Class Member you will be represented by attorneys for the Class at no cost to you. If you wish to opt-out of the Settlement Class, you must submit a request to opt-out in writing by the July 7, 2008 deadline, but you do not need to appear at the hearing. If you wish to object to the Settlement, you must submit a written objection by the July 7, 2008 deadline. Those who wish to object to the Settlement may present their objection in writing only, or may, in addition to a written objection, appear and be heard by the Court, either by yourself or, at your own expense, with an attorney of your choice.

If you wish to remain a Class Member and to have an opportunity to receive a share of the monetary relief you must return the attached Claim Form postmarked no later than September 17, 2008.

If you wish to opt-out and exclude yourself from the Settlement, your opt-out request must be postmarked by July 7, 2008.

If you wish to object to the Settlement, your objection must be received by July 7, 2008.  
 For additional information, you may visit: <http://www.genderlawsuitagainstsmithbarney.com>.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT</b>	
<b>Submit a Claim Form</b>	<b>The <i>only</i> way to be eligible to receive money from the Settlement.</b>
<b>Do Nothing</b>	<b>Stay in this lawsuit. Receive no money from the Settlement. Give up certain rights.</b> By doing nothing, you will not receive any money from the Settlement Fund, and you give up any right to pursue claims against Smith Barney separately about the gender discrimination claims covered by the Settlement.
<b>Ask to Be Excluded (Opt-Out)</b>	<b>Opt out of the Settlement Class (opt-out). Receive no money from the Settlement Fund. Keep any rights you might have to pursue monetary claims against Smith Barney separately.</b> If you ask to be excluded from the Settlement Class, you will not be eligible to receive any money from the Settlement, but you will keep any rights you might have to pursue claims involving the same issues in this lawsuit against Smith Barney separately.
<b>Object</b>	<b>Write to the Court about why you don't think the settlement is fair to the class.</b> If you do not opt out, you may object to the Settlement whether or not you submit a Claim Form.
<b>Go to the Hearing</b>	<b>You may, but are not required to, ask to speak in Court about the fairness of the Settlement.</b>

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## BASIC INFORMATION

### 1. Purpose of this Notice

The purpose of this Notice is to inform you about this litigation, the certification of a class (the “Class”), the terms of a proposed settlement (the “Settlement”), and your rights in connection with a hearing to be held before the Court on August 13, 2008, to consider the fairness, reasonableness, and adequacy of the Settlement and related matters. This Notice also describes the steps to be taken by those who wish to be excluded from the Class and, for those who remain Class Members, the steps necessary to seek a share in the distribution of the Settlement Fund in the event the Settlement is approved by the Court.

### 2. Background: About the Lawsuit

On March 31, 2005, Plaintiffs Renee Fassbender Amochaev, Deborah Orlando and Kathryn N. Varner filed a lawsuit in federal court in San Francisco. The Plaintiffs alleged, among other things, that they were subjected to gender discrimination. On November 29, 2006, Plaintiff Ivy So joined that complaint. Specifically, Plaintiffs allege discrimination by Smith Barney against female Financial Advisors (formerly referred to as “Financial Consultants”) in compensation, account distributions, partnerships, acquisition of books of business of retiring Financial Advisors, and other business opportunities that were not afforded to female Financial Advisors in a manner equal to their male counterparts. Plaintiffs also claim that Smith Barney terminated them and denied them equal terms and conditions of employment.

Because these Plaintiffs brought this action on behalf of a group, or “class” of female Financial

Advisors who have similar claims, they filed the case as a “class action,” and are referred to as “Named Plaintiffs.”

You can read all of the Plaintiffs’ claims in the Plaintiffs’ Amended Complaint, which can be found at <http://www.genderlawsuitagainstsmithbarney.com>.

Smith Barney denies that it discriminated against female Financial Advisors or that it otherwise did anything wrong. The Company maintains that female Financial Advisors were compensated pursuant to a production-based system that treats similarly situated male and female Financial Advisors equally. Smith Barney also maintains that female Financial Advisors were not terminated or denied equal terms and conditions of employment on the basis of their gender. Smith Barney maintains that it does not allow or condone discrimination against female Financial Advisors and that it is an equal opportunity employer. By entering into the proposed Settlement, Smith Barney does not admit any wrongdoing.

The Settlement resolves claims of gender discrimination in compensation and other terms and conditions of employment, including those brought under Title VII of the Civil Rights Act of 1964 and, with respect to California Class Members, the California Fair Employment and Housing Act, Cal. Gov’t Code § 12940. The Settlement also resolves any and all individual, non-class claims the Named Plaintiffs made or could have made in the First Amended Complaint or in their EEOC charges. The Court has not made and will not make any determination regarding whether or not Smith Barney discriminated against female Financial Advisors. This Notice should not be regarded as an expression of any opinion by the Court on the merits of any claims or defenses of the Parties. No trial has occurred. There has been no finding or determination by the Court that Smith Barney has violated any law or obligation, or that, in the event that the Settlement does not become effective, a recovery could or could not be made by the Named Plaintiffs or other members of the Class. Because the Named Plaintiffs and the Company together came to the Court to ask that the Court approve the Settlement that the two sides agreed to, the Court will simply examine the Settlement Agreement to determine whether or not it is fair, adequate and reasonable.

The Court has reviewed the Settlement and has preliminarily approved it as being fair, adequate and reasonable. Before deciding whether to give the Settlement final approval, the Court wishes to inform you of the general terms of the Settlement and of your right to comment on the Settlement, if you so desire, as well as your right to opt-out, or be excluded, from participating in the Settlement.

### **3. Class Definition—You are Part of the Class**

You are a member of the Class affected by the Settlement if you fit within this definition:

All women employed as Financial Advisors in (i) the United States branches of Smith Barney’s Retail Brokerage Division at any time from August 30, 2003 through March 1, 2008, or (ii) the California branches of Smith Barney’s Retail Brokerage Division at any time from June 25, 2003 through March 1, 2008. Excluded from the Class are, among others: (i) brokers in Smith Barney’s Financial Life Services (FLS) program, (ii) Smith Barney’s bank-based advisors; or (iii) Financial Advisor Associates.

If you received this Notice in a mailing addressed to you, then Smith Barney’s records show that you were employed by Smith Barney as a Financial Advisor in the United States branches of Smith Barney’s Retail Brokerage Division at some time from August 30, 2003 through March 1, 2008 or employed by Smith Barney as a Financial Advisor in the California branches of Smith Barney’s Retail Brokerage Division at any time from June 25, 2003 through March 1, 2008. Therefore, you are considered a Class Member. You have legal rights and options that you may exercise before the Court finally approves the Settlement.

## **Do I Have to Be Part of this Lawsuit?**

You may exclude yourself from, or “opt-out” of, the Settlement. If you do so, you will not be required to give up any legal rights that you would otherwise have to sue Smith Barney individually for gender discrimination, and you will not be permitted to share in the monetary portion of the Settlement. Information about how to opt-out is included below. You may not exclude yourself from the programmatic relief provisions of the Settlement. If the Court approves the Settlement, you will be bound by the programmatic relief provisions of the Settlement even if you opt-out of the Settlement Class.

## **4. Summary Of Settlement Terms**

### **What Are the Terms of the Settlement?**

The Settlement requires Smith Barney to establish a Settlement Fund and to implement changes to its policies and practices. The programmatic portions of the Settlement will last for four years.

### **The Settlement Fund**

Following preliminary approval of the Settlement, Smith Barney will deposit Thirty-Three Million Dollars (\$33,000,000) plus an amount equal to the daily LIBOR rate on that \$33,000,000 calculated from December 14, 2007 to the date of deposit (“Settlement Sum”). The Settlement Fund will be deposited into an interest bearing account. The Settlement Fund is expected to accrue sufficient interest prior to distribution to the Class to cover all or virtually all of the payments to the Named Plaintiffs for service awards and non-class claims. In addition, a portion of the Settlement Fund will be used to reimburse costs and expenses of the litigation, pay Class Counsel’s fees as awarded by the Court, and pay for the administration of the settlement process. The remainder of the Settlement Fund will be distributed to the eligible Named Plaintiffs and Class Members who submit Claim Forms to compensate them for the asserted claims.

### **What Does Smith Barney Have to Do Under the Settlement?**

Smith Barney has agreed to implement various revisions to its policies and practices. These revisions are intended to further enhance opportunities for employment, earnings and advancement of female Financial Advisors, and to further promote a workplace that is fair for all employees. It is expected that these programs will benefit female Financial Advisors at Smith Barney and increase their earnings potential. These benefits are in addition to the Thirty-Three Million Dollars (\$33,000,000) plus interest in the Settlement Fund.

Under the Settlement, Smith Barney will make the following revisions to its policies and practices, or perform the following tasks, during the four-year term of the Settlement Agreement:

### **Communications**

- A. Smith Barney shall distribute its Non-Discrimination, Anti-Harassment and Anti-Retaliation Policies to all employees upon hire (in hard copy or by electronic mail) and then on an annual basis via email from Smith Barney's CEO.
- B. The CEO of Global Wealth Management shall issue a statement annually in support of the policy. The policy shall be available on the Firm’s intranet site and will be incorporated into various other Firm policies, including its Code of Conduct and its Internet and Electronic Communications Usage Policy.

- C. The Non-Discrimination, Anti-Harassment and Anti-Retaliation Policies and the behaviors they seek to promote and prevent shall be the subject of mandatory training that all employees will be required to complete upon hire.

### **Branch Management Mobility**

- A. All available branch management positions (including minimum requirements for qualification) will be posted for a minimum of five (5) business days for Financial Advisors who either: (i) have successfully completed the branch management assessment program, or (ii) are already in branch management and request to be informed of new management job postings. Either the hiring manager or Human Resources will follow up with each applicant/candidate in a timely manner.
- B. Smith Barney shall develop and implement a computerized system to generate an electronic mail notification of new management job postings to Financial Advisors who either: (i) have successfully completed the branch management assessment program, or (ii) are already in branch management and request to be informed of new management job postings. Smith Barney shall post a written description of the branch management assessment program and the criteria for admission on the Firm's intranet site.
- C. An Industrial Psychologist shall be jointly appointed. The Industrial Psychologist shall review Smith Barney's branch management assessment program and, if appropriate, make recommendations for increasing the participation of females in the branch manager assessment program (including review of the criteria for admission) and in branch management.
- D. Smith Barney shall provide all management personnel with diversity training no less than every other year. The format of such training may vary from jurisdiction to jurisdiction depending on the relevant legal requirements. However, all managers shall, at a minimum, be required to complete an interactive, customized, e-learning training program.
- E. Branch Manager compensation shall be revised to include a diversity component designed to measure and reward efforts at diversifying representation rates in the Financial Advisor position. Smith Barney shall develop and implement a standardized annual process whereby Branch Managers shall be required to report on their efforts and results in promoting a diverse workforce and whereby senior Smith Barney management will review these efforts and take them into account when determining the diversity component of each Branch Manager's compensation.

### **Account Distribution**

- A. The Power Ranking system, which will be used to determine account distributions, will be provided to each Financial Advisor and Financial Advisor Associate ("FAA") upon hire and will be available to all Financial Advisors and FAAs electronically. Smith Barney will provide notice to Financial Advisors and FAAs regarding any modification to the Power Ranking methodology.
- B. Smith Barney will also inform each Financial Advisor and FAA of her or his individual ranking at the time any distribution is made. The actual distribution of a departing Financial Advisor's book will be made available to all Financial Advisors and FAAs in the Branch.
- C. All Power Ranking factors that measure performance from the previous twelve-month period will be adjusted to encompass a 12-month period exclusive of absence for parental leave or short-term disability leave.

- D. Smith Barney senior management will issue a comprehensive account distribution policy statement, which shall include policies covering the distribution of the accounts of departing Financial Advisors, retiring Financial Advisors (other than accounts distributed through the Franchise Protection Program), departing partners, and leads, call-ins, and walk-ins. This policy statement will be sent via email to all field employees. It will also be posted on Smith Barney's intranet site and shall include a prohibition on discrimination. In addition, Smith Barney will train all current Branch Managers on account distribution policies and procedures at the time the settlement becomes effective, and will similarly train all new managers that are subsequently hired.
- E. Branch Managers shall have discretion to disqualify a Financial Advisor from an account distribution for improper conduct; provided, however, that where such an exception to the Power Ranking process is made, it shall be documented by the Branch Manager or his/her designee in writing and included in the quarterly reports on exceptions provided to the Diversity Monitor. Financial Advisors and FAAs will not be eligible for an account distribution if they: (1) have voluntarily opted-out of the distribution; (2) are not in the product specialty group to which the distributed accounts belong (e.g. IIG/IFG); or (3) are on parental or short-term disability leave at the time the account distribution is made.
- F. Where an exception is made to the Power Ranking process for compliance purposes or to accommodate non-discriminatory client preferences, each individual exception shall be documented and kept for purposes of monitoring policy compliance and regularly reviewed by the Regional Director and the Diversity Monitor.
- G. If a Financial Advisor or FAA receives an account through an exception, that Financial Advisor or FAA will not receive another account in the same distribution until every eligible Financial Advisor and FAA has first received an account from those accounts that come next in the ranking of accounts in that distribution; provided, however, that if that Financial Advisor or FAA is the only qualified Financial Advisor in the branch to service a later account in the distribution, that Financial Advisor or FAA shall receive that account even if not every eligible Financial Advisor and FAA has already received an account in the distribution, and such exception shall be documented. An individual Financial Advisor or FAA who does not receive a specific account as a result of an exception shall receive the next available account in the same distribution that he/she is qualified to service.
- H. Smith Barney shall provide quarterly reports to the Diversity Monitor on exceptions being made in the branches. Branch Managers who are determined to have distributed an account pursuant to any improper exception shall receive an appropriate discipline.
- I. Smith Barney shall enhance its technology to allow its account distribution process to be computer automated. Account distributions will be made through this automated process subject to exceptions to ensure compliance with regulatory requirements and non-discriminatory client preferences. The results of all account distributions shall be stored and readily retrievable for monitoring to ensure compliance with account distribution policies.
- J. If at any time during the term of this Settlement Agreement a dispute arises between Smith Barney and a Financial Advisor concerning any account distribution, such dispute shall—at the written request of the Financial Advisor—go through Smith Barney's internal complaint process, which includes access to mediation. However nothing in the Settlement Agreement shall prevent any Class Member or Named Plaintiff from individually pursuing any legal claim not released under the Settlement through any applicable governmental agency, arbitration forum or court of law if she is otherwise entitled to do so, including, but not limited to, claims

- for race discrimination, age discrimination or non-economic damages arising from sexual harassment. If a Financial Advisor submits a gender-related complaint through Smith Barney's alternative dispute resolution system, that person shall receive a written description of the ADR process—and a written notice indicating that the statutes of limitations on her/his legal claims will be tolled for 120 days from the date of his/her submission of the ADR complaint.
- K. No changes to Smith Barney's procedures for distributing accounts of departing Financial Advisors described in the Settlement Agreement shall apply to or affect: (i) Smith Barney's Financial Life Services (FLS) program or any accounts transferred, or identified for transfer, to or from FLS; or (ii) accounts serviced by Smith Barney's bank-based Financial Advisors.
- L. The Industrial Psychologist shall review and, if appropriate, make recommendations for developing a standard and nationwide process for determining up-front bonuses, forgivable loans, and other transitional compensation packages given to lateral recruits. Any such recommendations shall be designed to promote equal opportunity in the receipt and amount of transitional compensation packages—after taking into consideration factors such as the lateral recruit's production start date, production, assets under management, return on assets, product mix and any other legitimate factors.
- M. To the extent that Smith Barney does not already have such a system, with input from the Industrial Psychologist, Smith Barney shall develop and implement a system to keep records of all up-front bonuses, forgivable loans, and other transitional compensation packages given to lateral Financial Advisor recruits. Smith Barney shall provide a summary of this information to the Diversity Monitor and Class Counsel. The Diversity Monitor will review and report on these records to the Industrial Psychologist.
- N. The book of business formerly serviced by a retiring Financial Advisor who is not participating in the Franchise Protection Program will be distributed through the Power Ranking System. Smith Barney will consider the efforts made by branch management to increase participation by female Financial Advisors in the Franchise Protection Program in determining the diversity component of Branch Manager compensation.
- O. The Industrial Psychologist shall review and, if appropriate, make recommendations to promote participation of female Financial Advisors in the firm's Franchise Protection Program, including female Financial Advisors' participation as retiring Financial Advisors and receiving Financial Advisors in the Franchise Protection Program. The Diversity Monitor will review female Financial Advisor participation in Franchise Protection Programs, both as retiring Financial Advisors and as receiving Financial Advisors, and will receive information from Smith Barney about the gender of persons receiving assets and the value of assets transferred.
- P. Smith Barney shall collect data about the account distribution process and shall report such data to the Diversity Monitor, Industrial Psychologist and Class Counsel. As described below (under Industrial Psychologist), after the 20- and 44- month periods and subject to certain conditions, Class Counsel may initiate a binding dispute resolution process before a neutral mediator if they believe the system should be changed and Smith Barney disagrees. The parties may initiate changes on a more frequent basis by agreement.
- Q. In the event that a Financial Advisor or FAA who is part of a team leaves Smith Barney, the team member(s) who remain at Smith Barney will presumptively retain the book of business formerly serviced by the departing Financial Advisor, provided that the remaining team member(s) is/are qualified to service those accounts. The Diversity Monitor shall receive semi-annual reports from Smith Barney relating to redistributed accounts from partnerships,

including number of accounts, Financial Advisor revenue, asset value, and gender of receiving Financial Advisor.

- R. Smith Barney will consider the efforts made and results achieved by branch management to increase participation by female Financial Advisors in partnerships in the branch in determining the diversity component of Branch Manager compensation.
- S. The Industrial Psychologist shall review and, if appropriate, make recommendations to promote participation of female Financial Advisors in partnerships and teams.
- T. For purposes of a Financial Advisor's or FAA's Power Rankings, Smith Barney will count partnership assets under management based on the percentage of the commission split specified in the Joint Production Agreement.
- U. All Joint Production Agreements will include a plan for the distribution of partnership assets in the event of the partnership's or team's dissolution.
- V. The Diversity Monitor will review female Financial Advisor participation in partnerships and will receive information from Smith Barney about partnership splits based on gender and the value of assets under each partnership based on gender. The Diversity Monitor will receive copies of any complaints made to Smith Barney management or its legal counsel by female Financial Advisors regarding any aspect of partnerships. The Diversity Monitor will be advised of any partnership dissolution involving a female Financial Advisor.
- W. Each Branch Office will implement a voluntary "Financial Advisor of the Day" program in which all client prospects who either walk in or telephone the branch and who are seeking a Financial Advisor shall be directed to the Financial Advisor serving as the Financial Advisor of the Day.

### **Development Opportunities**

- A. Smith Barney shall work with the Industrial Psychologist to develop initiatives designed to attract and retain women at Smith Barney as Financial Advisors, and to enhance their success. The Industrial Psychologist shall make recommendations to promote participation of female Financial Advisors in development opportunities.
- B. Smith Barney will provide exit questionnaires to Financial Advisors who terminate their employment voluntarily in order to gain a better understanding of the reasons for each departure. The exit questionnaires submitted by female Financial Advisors shall be available to the Industrial Psychologist and the Diversity Monitor, who shall report his or her findings to Human Resources.
- C. Smith Barney will maintain its commitment to its female Financial Advisor networking meetings.

### **Complaint Process and Training**

- A. The complaint process will be communicated in writing to all Financial Advisors upon hire and annually.
- B. Smith Barney will provide its Human Resources staff with appropriate training regarding compliance with state, federal, and local EEO laws; Smith Barney's anti-discrimination and harassment policies; the Settlement Agreement; and the best practices for complaint

investigation and resolution. Human Resources will be trained to treat all complaints or inquiries as confidentially as legally possible and to carry out their duties in a manner consistent with the law. In addition, Human Resources will implement controls designed to ensure that only non-complaining employees or managers with a need to know will be advised of a complaint or investigation. If Human Resources decides that it must inform any employees or managers of the identity of the complainant, Human Resources will notify the complainant in advance that her/his identity will be released and to whom it will be released. In all instances, upon being informed of a complaint or investigation, the employees and managers so informed will be reminded of Smith Barney's policy against retaliation.

- C. Smith Barney will retain documents sufficient to show complaints of sex discrimination, sex bias and/or retaliation related to such complaints for the term of the Settlement Agreement. This includes, but is not limited to, complaints made directly to in-house or outside counsel. Smith Barney will provide copies of all sex discrimination, sex bias, and retaliation complaints, as well as copies of the Complaint Log and Legal Complaint Log to the Diversity Monitor on a quarterly basis.

### **Diversity Monitor**

- A. The parties will jointly appoint a Diversity Monitor who shall be external to and independent of Smith Barney, but will report directly to the CEO of Global Wealth Management.
- B. The Diversity Monitor shall monitor Smith Barney's efforts to carry out the terms of the Settlement Agreement. This shall include the following:
  - 1. receiving quarterly reports regarding complaints of female Financial Advisors alleging sex discrimination, sex bias, or retaliation and the resolution of investigations of such complaints through any Smith Barney ADR program.
  - 2. reviewing reports by Smith Barney on the diversity-related annual assessment process for Branch Managers, including the self-assessments completed by Branch Managers, and annual data and information provided by the Company related to the diversity component of each Branch Managers' compensation.
  - 3. reviewing reports on exceptions to the account distribution system being made in the branches, including information on the identity of the branches, the branch managers who approved the exceptions and an explanation of the exceptions.
  - 4. annually reviewing up-front bonuses, forgivable loans and other transitional compensation packages that Smith Barney provided to lateral recruits, and reporting on these records to the Industrial Psychologist.
  - 5. receiving a copy of the summaries provided in connection with management approval of any forgivable loan provided to a lateral recruit and interviewing the appropriate branch manager about the rationale for any up-front bonuses, forgivable loans, or transitional compensation packages.
  - 6. annually reviewing female Financial Advisor participation in Franchise Protection Programs, both as retiring Financial Advisors and as receiving Financial Advisors, and receiving information from Smith Barney semi-annually about the gender of persons receiving assets and the value of assets transferred.
  - 7. semi-annually reviewing reports relating to redistributed accounts from partnerships, including the number of accounts, Financial Advisor revenue, asset value and gender of receiving Financial Advisor as well as female Financial Advisor participation in partnerships and receiving information from Smith Barney about partnership splits based on gender and the value of assets under each partnership based on gender.
  - 8. monitoring bi-annual training of management on EEO policies, and policies against

- discrimination and retaliation, and ensuring that the training agreed to was implemented.
9. reviewing exception reports regarding the Financial Advisor of the Day program.
  10. reviewing how Human Resources handles investigations and the resolution process for inquiries and complaints.
  11. reviewing the exit questionnaires completed by departing female Financial Advisors, as well as information regarding the retention of female Financial Advisors annually, and reporting his/her findings to Human Resources.
  12. identifying issues of potential non-compliance and reporting them to Smith Barney and Lead Class Counsel.
  13. providing reports to Lead Class Counsel and Smith Barney at least semi-annually regarding the items described in this Agreement to be monitored.
  14. maintaining records for the term of the Settlement Agreement.
- C. If any instances of non-compliance with the provisions of the Settlement Agreement are identified by the Diversity Monitor, in consultation with Lead Class Counsel, Smith Barney will take appropriate corrective action to address them unless Smith Barney can show that corrective action would be inconsistent with legitimate business and client needs and objectives.
- D. If Lead Class Counsel disagrees with Smith Barney's determination on the implementation of corrective action, Lead Class Counsel may initiate a meet and confer session with Smith Barney's counsel and, if necessary, seek mediation.
- E. Smith Barney shall inform the Diversity Monitor and Lead Class Counsel of any corrective action taken. Where potential non-compliance has been identified, the Diversity Monitor shall have the right to audit the activities in a branch, by reviewing documents, asking branch management to provide explanations and, if necessary, speaking to Financial Advisors in the branch, and the right to receive relevant information from Smith Barney headquarters upon reasonable request.

### **Industrial Psychologist**

- A. The parties shall also jointly appoint an Industrial Psychologist, who shall work with Smith Barney and Class Counsel to develop innovative, meaningful, novel, state-of-the-art programs and, if appropriate, to make recommendations concerning:
1. The production and earnings of female Financial Advisors, including policies and practices with respect to training, development, mentoring, and business-related allocations;
  2. The participation of female Financial Advisors in the Franchise Protection Program, both as retiring Financial Advisors and as receiving Financial Advisors;
  3. The participation of female Financial Advisors in partnerships and teams, including commission splits between male and female partners, and dissolution of partnerships and teams;
  4. Up-front bonuses, forgivable loans, and other transitional compensation packages offered to lateral recruits;
  5. Policies and practices with respect to training, development, and mentoring for female Financial Advisors. Training and development may include, but is not limited to, training, conference calls, online courses, and in-person seminars;
  6. The participation of females in Smith Barney's branch management assessment program and in branch management; and
  7. A mentoring program for all Financial Advisors.

- B. The Industrial Psychologist shall review the actual implementation of the programs, policies, and initiatives that Smith Barney is obligated to undertake by virtue of the Settlement Agreement and shall, on an annual basis, report the results of this review to the Diversity Monitor. The Industrial Psychologist shall review on an annual basis the retention rates of women in the Financial Advisor position and shall report the results of this review to the Diversity Monitor.
- C. The Industrial Psychologist shall present any recommendations to the members of Senior Management at Smith Barney who are most appropriate to address each issue. A copy of the recommendations will also be provided to Lead Class Counsel. All recommendations of the Industrial Psychologist will be designed to advance the purposes of the Settlement Agreement consistent with Smith Barney's legitimate business needs and objectives. If Smith Barney does not agree with any such recommendations, but Lead Class Counsel still thinks they should be implemented notwithstanding Smith Barney's objections, the Industrial Psychologist, along with Lead Class Counsel, will have the opportunity to present the recommendations to Smith Barney's highest ranking officer overseeing Financial Advisor compensation, currently the Director of Field Management. Smith Barney shall decide in good faith consistent with the purposes of this Settlement Agreement whether to implement such recommendations.
- D. The Industrial Psychologist shall provide to the parties statistical analyses on the Power Ranking criteria. These analyses shall report on data at the 12, 20, 36 and 44 month intervals from the Effective Date. With the analysis, the Industrial Psychologist shall determine whether female Financial Advisors have received less than their pro rata share of distributed accounts, and if so, whether the difference is statistically significant. This determination shall be based on an aggregate comparison of (i) the value of the accounts distributed, based on their account value at the end of the month prior to their distribution; and (ii) the representation of men and women in the population of Financial Advisors in the retail brokerage division of Smith Barney, including only those Financial Advisors who were active within the time period being measured.
- E. The Power Rankings may be changed at any time upon agreement between Smith Barney and Lead Class Counsel following a meet and confer process. If, following the meet and confer process, Lead Class Counsel do not agree to a change proposed by Smith Barney, Smith Barney may seek authority from Hunter R. Hughes, Esq. or another mutually selected mediator (the "Mediator") to implement the proposed change(s) to the Power Ranking systems, which authority will not be unreasonably withheld. To bring about such changes, Smith Barney must show to the satisfaction of the Mediator through binding mediation that (a) the changes are necessary to comply with applicable law; or (b) each of the criteria they seek to change is having a significant adverse impact on Smith Barney's business and that the change(s) sought would not disadvantage female Financial Advisors or FAAs relative to the criteria being displaced.
- F. If, following either the 20 or 44 month reports, the Industrial Psychologist determines that female Financial Advisors have received less than their pro rata share of distributed accounts, and that the difference is statistically significant, then Lead Class Counsel may initiate a meet and confer session with Smith Barney's counsel. If, in the judgment of Lead Class Counsel, the meet and confer does not result in a satisfactory resolution, Lead Class Counsel may request a hearing before the Mediator solely for the purpose of resolving whether there should be any change to the Power Ranking factors or any adjustment to their weight. Such a process shall be completed within 4 months under a schedule and with written submissions in a form determined by the mediator, but allowing at least twenty-one days for a response by the responding party (unless the responding party seeks shortened time for its own submission). Smith Barney shall pay the cost of such binding mediation. The Mediator shall review each party's submissions and make a final, non-appealable determination regarding whether there should be any change to the Power Ranking factors or any adjustment to their weight.

- G. Subject to signing an appropriate confidentiality agreement, and upon reasonable advance notice, the Diversity Monitor and the Industrial Psychologist will have reasonable access to relevant documents, data, and Smith Barney employees. The Diversity Monitor and the Industrial Psychologist will be compensated by Smith Barney.
- H. If it becomes necessary to replace the Diversity Monitor or the Industrial Psychologist, the parties shall select a replacement by mutual agreement.

### **General Non-Discrimination Provisions**

Pursuant to Smith Barney's Non-Discrimination and Anti-Harassment Policy, female Financial Advisors will enjoy terms and conditions of employment comparable to their male counterparts. Smith Barney shall reaffirm its commitment to the following general policies using a method agreed to by the parties:

1. Prohibition against discrimination on the basis of sex in compensation and business opportunity allocations.
2. Prohibition against retaliation for reporting sex discrimination, participating in any Smith Barney ADR program, participating in this or any discrimination settlement, filing a lawsuit or complaint with any outside agency or entity alleging sex discrimination, or for refusing to participate in sex discrimination.
3. Prohibition against reimbursement of business expenses that are directly or indirectly related to male-only entertainment establishments.
4. Prohibition against any Smith Barney supervisor retaliating against any Class Member for her participation in the prosecution of the allegations contained in the charges underlying this Settlement or in the Settlement itself.

### **5. Settlement Hearing**

The hearing will be held at 9:00 a.m. on August 13, 2008, in the courtroom of the Honorable Phyllis J. Hamilton at the United States District Court for the Northern District of California, Courtroom 3, U.S. Courthouse, 450 Golden Gate Avenue, San Francisco, California 94102. At this hearing, the Court will determine whether the proposed Settlement is fair, reasonable, and adequate and whether it should be approved. The Court will also consider whether the motion of the Plaintiffs' attorneys, or "Class Counsel," for an award of attorneys' fees and expenses should be approved, and whether, in accordance with the Settlement, an order and judgment should be entered bringing the litigation to a conclusion.

### **Do I Have To Come To The Settlement Hearing?**

You are not required to appear at the hearing. Attorneys representing the Class will appear at the hearing on behalf of all Class Members at no cost to you. However, if you would like to comment on the terms of the Settlement, you may appear and be heard at the Settlement Hearing, either by yourself or, at your own expense, with an attorney of your choice. Information about how to comment on or object to the Settlement is included below. If the Court gives final approval to this Settlement, the Court's judgment will be final and binding on all Class Members who have not opted out.

### **6. How to Proceed: Your Options**

After reviewing the terms of the Settlement set forth in this Notice, you have three options. You must decide at this stage whether you want to (A) remain a Class Member and retain an opportunity to share in the distribution of the Settlement Fund; or (B) opt-out and exclude yourself from sharing in the monetary relief portion of the Settlement. You may also object to the Settlement but, you may only do so if you remain a Class Member. If you opt-out of the Settlement, you may not object to the

Settlement.

**A. Remain a Class Member**

If you do not request to be excluded, you will remain a part of the Class. The Court will hold the Settlement Hearing and you, as a Class Member, will be represented by Class Counsel at no cost to you. In order to be eligible to receive a share of the Settlement Fund, you must fill out a Claim Form and return it to the Claims Administrator, postmarked by no later than September 17, 2008. If you are a Class Member and you file a timely Claim Form, you may be eligible to obtain money from this Settlement. The Claim Form asks for information about your employment with Smith Barney, and the share of money that you will receive, if any, if the Settlement is finalized, will be determined partly based on your answers to the questions on this Claim Form. After submitting a Claim Form, you will not have a right to present any further information concerning your particular situation; nor any right to challenge the final allocation and distribution determined by the Court Appointed Claims Administrator.

If it is determined that an award should be made from the Settlement Fund to a Class Member who has submitted a Claim Form, actual payment of the award will require the Claims Administrator's receipt from that Class Member of: (1) a signed Class Member or Named Plaintiff Release, as appropriate, and (2) the appropriate W-9 or W-4 form, which will be provided by the Claims Administrator at the time that the Class Member is notified of her award. If you are a Class Member but have already signed a document that releases claims against Smith Barney, it is possible that you may have lost your right to recover any money under the Settlement for the claims you released.

Whether or not you submit a Claim Form, unless you opt out, all claims that you may have against Smith Barney up through April 30, 2008 that fall within the scope of claims released by this Settlement will be extinguished and barred. Unless you opt out, you remain eligible to object to the Settlement pursuant to Option C below, whether or not you submit a Claim Form.

**B. Opt-Out: How Do I Exclude Myself from the Settlement?**

You may request to opt-out, or be excluded, from the Settlement Class. If you opt-out, you will not be eligible for any monetary award as part of this Settlement. Any Class Member who wishes to opt-out must mail a written, signed statement that she is opting out of the monetary portion of the Settlement to:

Kelly M. Dermody, Esq.  
LIEFF, CABRASER, HEIMANN & BERNSTEIN, LLP  
Embarcadero Center West  
275 Battery Street, 30th Floor  
San Francisco, CA 94111-3339

and

Jay Cohen, Esq.  
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP  
1285 Avenue of the Americas  
New York, NY 11019-6064

You may not opt-out of the injunctive relief provisions of the Settlement.

To be effective, this opt-out statement must be postmarked on or before July 7, 2008, and must contain each of the following:

- (a) your name, current address, social security number and telephone number;
- (b) the name and number of this case (*Amochaev, et al. v. Citigroup Global Markets, Inc. d/b/a Smith Barney*, Case No. C-05-01298 (PJH)).
- (c) a statement that you wish to be excluded from the Settlement, including the following language, which must be contained in your request:

“I understand that I am requesting to be excluded from the Class Settlement and that I will receive no money from the settlement fund created under the Settlement Agreement entered into by Smith Barney. I understand that if I am excluded from the Class Settlement, I may bring a separate legal action seeking damages, but might receive nothing or less than what I would have received if I had filed a claim under the class monetary settlement procedure in this case. I also understand that I may not seek exclusion from the Class with respect to injunctive relief and that I am bound by the injunctive provisions of the Settlement Agreement entered into by Smith Barney.”

Only those Class Members who request exclusion in the time and manner set forth herein shall be excluded from the Class. Pursuant to Federal Rules of Civil Procedure 23(b)(3) and (c)(2), the terms and provisions of the Settlement Agreement concerning monetary relief shall have no binding effect on any person who makes a timely request for exclusion in the manner required by this Order.

Please note that Class Members who submit timely and valid requests for exclusion will have no right to object to the Settlement in court and will no longer be represented by Class Counsel.

If you submit both a valid opt-out request and a valid claim form, your opt-out request will not be valid and your claim form will be processed.

If you choose to opt-out of the Settlement Class, and submit the necessary information to do so, but later decide to re-join the Class, you may rescind your opt-out request. To be effective, such a rescission must be in writing and signed, and must be postmarked on or before July 19, 2008 to the following:

Kelly M. Dermody, Esq.  
LIEFF, CABRASER, HEIMANN & BERNSTEIN, LLP  
Embarcadero Center West  
275 Battery Street, 30th Floor  
San Francisco, CA 94111-3339

and

Jay Cohen, Esq.  
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP  
1285 Avenue of the Americas  
New York, NY 10019

### **C. Object to the Settlement**

In determining whether to grant final approval to the Settlement, the Court must assess the overall fairness and reasonableness of the Settlement to the Class. Class Members who have not opted-out of the Settlement may object to the Settlement. If you opt-out of the Settlement, you may not object to the Settlement.

In order to speak at the Settlement Hearing, or have your objection to the Settlement considered by the Court, you must file a written objection to the Settlement with the United States District Court for the Northern District of California by July 7, 2008. A copy should also be sent to Judge Hamilton at the following address:

The Honorable Phyllis J. Hamilton  
United States District Court  
Northern District of California  
450 Golden Gate Avenue, Courtroom 3, 17th Floor  
San Francisco, CA 94102

This writing can be in the form of a letter and need not be a formal court document. You do not need to be represented by counsel to object to the Settlement. This statement must be signed, and must include the name and number of this case (*Amochaev, et al. v. Citigroup Global Markets, Inc. d/b/a Smith Barney*, Case No. C-05-01298-(PJH)) and a detailed description of the basis for the objection. In addition to filing any objection with the Court, all written objections must also be received by the following on or before July 7, 2008:

Kelly M. Dermody, Esq.  
LIEFF, CABRASER, HEIMANN & BERNSTEIN, LLP  
Embarcadero Center West  
275 Battery Street, 30th Floor  
San Francisco, CA 94111-3339

and

Jay Cohen, Esq.  
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP  
1285 Avenue of the Americas  
New York, NY 10019

You need not appear at the Settlement Hearing for your written comments or objections to be considered by the Court, but you may appear if you so desire.

## **7. Release**

If the Court grants final approval of the Settlement, then all Class Members who do not opt out will release Smith Barney for all claims certified by the Court in the lawsuit. When claims are “released,” that means that a person covered by the release cannot sue Smith Barney for any of the claims that are covered by the release. Unless you opt out of the lawsuit, you will be covered by the release, even if you do not submit a Claim Form for money damages.

The exact terms of the Class Member Release are:

The Class Members, excluding those who timely opt out, release all claims, known and unknown, existing through the date of preliminary approval, under any federal, state or local legal theory, for gender discrimination against Smith Barney, with the exception of claims for non-economic damages that arise from sexual harassment (as that term is defined by the Equal Employment Opportunity Commission). By way of example only, and without any intent to limit the scope of the preceding release, this settlement would bar a claim for loss of compensation of any type or description (including but not limited

to commissions, salary, bonuses, deferred compensation and incentive awards) arising from or relating to any type of sex or gender discrimination, but would not bar a claim of emotional distress, costs of medical treatment, or other such non-economic compensatory damages arising from or related to sexual harassment.

Named Plaintiffs release all claims of any nature against Smith Barney under federal, state or local laws for any period up through the date of preliminary approval.

### **8. How Will My Settlement Award Be Calculated?**

Each Class Member, including each Named Plaintiff, who files a timely Claim Form will have their claim reviewed by a Claims Administrator appointed by the Court. Class Members who submit a Claim Form will be eligible to receive monies based on length of tenure (e.g. weeks worked) at Smith Barney as a Financial Advisor. Class Members may also receive additional credit if they provide information in their Claim Form regarding termination or constructive discharge allegedly resulting from gender-based discrimination, though Class Members are not required to provide such information and may participate in the settlement based solely upon length of service.

The Claims Administrator will allocate points to each Class Member submitting a Claim Form. Each claimant will receive 1 point for each week worked as a Financial Advisor, either between August 30, 2003 and March 1, 2008, or between June 25, 2003 and March 1, 2008 if they worked as a Financial Advisor in California. Claimants will also be eligible to receive up to 50 additional points if they provide information on the Claim Form about their termination or constructive discharge from Smith Barney as the result of alleged gender-based discrimination.

For example, if a claimant worked for 2 years as a Financial Advisor, she would receive a total of 104 points (one point for each week worked). The Claims Administrator may also allocate 50 points to the claimant for information she provided on the Claim Form regarding her termination or constructive discharge as the result of alleged gender-based discrimination. The points will be provided based on the severity of harm (such as emotional or economic harm) you suffered. In this case, the claimant's final point total would be 154 (104 for each week worked plus 50 for Claim Form points for termination or constructive discharge). The claimant's share of the Class monetary award would thus be expressed as:

Claimant's 154 points divided by total points of all claimants.

The Claims Administrator will make all determinations regarding Claim Form points. You will not have a right to challenge the allocation and distribution determined by the Claims Administrator.

The total amount of awards made to the Named Plaintiffs and the Claimants shall not exceed the net amount of the Settlement Fund after deduction for notice and administration costs, Class Counsel's attorney's fees and costs, and Named Plaintiff service awards and non-class claims.

The Claims Administrator shall send a Notice of Award to each eligible Claimant disclosing her award payment, along with a Named Plaintiff Release or a Class Member Release, whichever is applicable. Within a reasonable time period after receipt of an executed Named Plaintiff Release from a Named Plaintiff or an executed Class Member Release from a Class Member, the Claims Administrator shall send the Named Plaintiff or Class Member her award payment. Any Named Plaintiff who does not execute and timely deliver an executed Named Plaintiff Release, and any Class Member who does not execute and timely deliver an executed Class Member Release to the Claims Administrator within six (6) months of the date the Notice of Award was mailed to her shall be ineligible for, and forever barred from receiving, monetary relief under this Settlement Agreement, even if said Named Plaintiff or Class Member has not opted out. Any undistributed funds that remain after six (6) months from the mailing

of the Notice of Award due to uncashed checks shall be distributed to 501(c)(3) organizations which advance career opportunities for women, including career opportunities in the financial services industry, as jointly selected by Lead Class Counsel and Smith Barney.

The Claims Administrator shall maintain the distribution plan and allocation list for a period of seven (7) years. Smith Barney shall have access to individual allocation amounts only upon written notice to Class Counsel and a showing of good cause (*e.g.*, actual or threatened litigation by a Claimant). Any dispute as to whether good cause exists for such a requested disclosure shall be resolved through the Dispute Resolution process set forth in the Settlement Agreement.

The information provided on the Claim Form may be verified for accuracy against Smith Barney's computerized personnel, payroll, commission, or account data, or documents provided by claimants.

### **Are There Tax Consequences For Any Money I Might Get?**

Any award you receive from the Settlement Fund will have tax consequences for you. The Claims Administrator will be responsible for withholding, remitting and reporting each Claimant's share of payroll taxes from the Settlement Fund. Smith Barney will be responsible to pay for the employer's share of taxes and costs, including FICA, FUTA, SUTA and Medicare. The Claims Administrator will withhold the employee's share of taxes and costs, including any applicable FICA, FUTA, SUTA and/or Medicare, from Claimants' awards and remit those amounts to the appropriate taxing authorities. Class Counsel are not tax advisors and cannot give you advice on any tax matters. Class Counsel urge you to consult your tax advisor for answers to any questions you may have about the tax implications of any potential award.

### **9. The Lawyers Representing You And The Class**

As a Class Member, you are represented in this litigation by Class Counsel: Kelly M. Dermody of Loeff, Cabraser, Heimann & Bernstein, LLP; Cyrus Mehri of Mehri & Skalet, PLLC; Adam Klein of Outten & Golden, LLP; and James M. Finberg of Altshuler Berzon:

Kelly M. Dermody  
LIEFF, CABRASER, HEIMANN & BERNSTEIN, LLP  
275 Battery Street, 30th Floor  
San Francisco, CA 94111-3339  
Telephone: (415) 956-1000  
Facsimile: (415) 956-1008

Adam Klein  
OUTTEN & GOLDEN, LLP  
3 Park Avenue, 29th Floor  
New York, NY 10016  
Telephone: (212) 245-1000  
Facsimile: (212) 977-4005

James M. Finberg  
ALTSHULER BERZON  
177 Post Street, Ste. 300  
San Francisco, CA 94108  
Telephone: (415) 421-7151  
Facsimile: (415) 362-8064

Cyrus Mehri  
MEHRI & SKALET, PLLC  
1250 Connecticut Avenue, NW, Ste 300  
Washington, DC 20036  
Telephone: (202) 822-5100  
Facsimile: (202) 822-4997

Unless you elect to exclude yourself from the Settlement, you will continue to be represented by Class Counsel in connection with implementation and monitoring of the Settlement throughout the four-year duration of the terms of the Settlement at no cost to you. Although it is not necessary, you may, if you wish to do so, retain your own attorney at your own expense.

## **How Will The Lawyers Be Paid?**

Class Counsel have pursued these claims on behalf of Plaintiffs and the Class without receiving any compensation for their services or reimbursement of their incurred litigation expenses. Class Counsel have undertaken substantial risks in pursuing this matter. They have done so with the understanding that, if they obtained a recovery for the class, their expenses would be reimbursed and they would receive fees from the fund recovered.

In connection with the Settlement, the Court will award Class Counsel reasonable attorneys' fees and expenses out of the Settlement Fund. If you are a Class Member and receive an award from the Settlement Fund, you will not owe any fees or expenses to the lawyers who have represented you as part of the Class. The attorneys' fees and expenses of Class Counsel, as awarded by the Court, will be paid out of the Settlement Fund and only if and after the Settlement has been approved by the Court.

As is routine in class action cases, Class Counsel will file with the Court a motion for an award of attorneys' fees and litigation expenses already incurred as well as the fees and expenses that will be incurred during the four-year term of the Settlement. In its motion, Class Counsel will request that the Court award them the costs they have incurred not to exceed \$900,000, plus attorneys' fees for the work performed and results achieved to date in the amount of \$6.5 million, plus \$500,000 in total for future work they will perform monitoring the Agreement over its four-year term.

Costs of providing notice to the Class will also be paid from the \$33 million Settlement Fund.

### **10. Payments to Named Plaintiffs**

The Named Plaintiffs may participate in the class monetary award by filing a claim form like any other Class member.

In addition, Class Counsel will ask the Court to grant service payments to Named Plaintiffs Renee Amochaev, Deborah Orlando, and Kathryn Varner in the amount of \$50,000.00, and to Named Plaintiff Ivy So in the amount of \$35,000.00. The proposed awards would recognize the extraordinary service that the Named Plaintiffs provided here, including for their participation in the prosecution and settlement of this case. This participation included each Named Plaintiff preparing for and then being deposed for three days, participating in responding to discovery requests, assisting counsel in developing strategy, and providing input into settlement discussions and the ultimate Settlement Agreement. Named Plaintiffs Amochaev, Orlando and Varner each joined the case at its inception (Plaintiff So joined one and one-half years later), participated in the initial press conference, and attended one or more mediation sessions with Smith Barney. All Named Plaintiffs reviewed the drafts of the Settlement Agreement and provided input.

Unlike other Class Members, each Named Plaintiff will execute a broader, general release of all potential claims against Smith Barney and will dismiss their administrative charges of discrimination. The Named Plaintiffs will also receive payment for their non-class claims, which they will be required to release in addition to releasing class claims under the Class Member Release. Plaintiffs' non-class claims include claims for race discrimination, age discrimination, and non-economic damages arising from sexual harassment. The payment for these claims will be determined by the Claims Administrator based upon a review of the factual record. In no event will the total of all such non-class awards exceed \$550,000.00. These payments will come from the \$33 million Settlement Fund, though it is expected that interest earned on the Settlement Fund will pay for all or virtually all of the non-class payments and service awards of the Named Plaintiffs.

