

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

IN RE SMITH BARNEY TRANSFER AGENT  
LITIGATION

No. 05 Civ. 7583(WHP)

**NOTICE OF (I) PENDENCY OF CLASS ACTION;  
(II) PROPOSED SETTLEMENT AND PLAN OF ALLOCATION;  
(III) SETTLEMENT FAIRNESS HEARING; AND (IV) MOTION FOR AN AWARD OF  
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

**TO: All persons and entities who purchased or sold shares in any of the following Smith Barney mutual funds<sup>1</sup> (“Smith Barney Funds,” or the “Funds”)<sup>2</sup> during the following time periods, inclusive, or their successors in interest, and who were damaged thereby:**

**Smith Barney Aggressive Growth Fund, Inc.: September 11, 2000 - December 26, 2002;  
Smith Barney Allocation Series, Inc.-Allocation Growth Portfolio: September 11, 2000 - May 28, 2003;  
Smith Barney Appreciation Fund, Inc.: September 11, 2000 - April 25, 2002;  
Smith Barney Income Fund Series-Smith Barney Convertible Fund: September 11, 2000 - November 25, 2002;  
Smith Barney Income Fund Series-Smith Barney Diversified Strategic Income Fund: September 11, 2000 - November 25, 2002;  
Smith Barney Income Fund Series-Smith Barney High Income Fund: September 11, 2000 - November 25, 2002;  
Smith Barney Income Fund Series-Smith Barney Premium Total Return Fund: September 11, 2000 - April 25, 2002;  
Smith Barney Fundamental Value Fund, Inc.: September 11, 2000 - January 23, 2003;  
Smith Barney World Funds, Inc.-International All Cap Growth Portfolio: September 11, 2000 - February 26, 2004;  
Smith Barney Managed Governments Fund, Inc.: September 11, 2000 - November 22, 2002;  
Smith Barney Investment Funds, Inc.-Peachtree Growth Fund: September 11, 2000 - April 25, 2002;  
Smith Barney Investment Funds, Inc.-Investment Grade Bond Fund: September 11, 2000 - April 25, 2002;  
Smith Barney Investment Funds, Inc.-Small Cap Growth Fund: September 11, 2000 - January 27, 2003;  
Smith Barney Investment Trust-Large Capitalization Growth: September 11, 2000 - March 27, 2003;  
Smith Barney Managed Municipals Fund, Inc.: September 11, 2000 - June 24, 2003;  
Smith Barney Money Funds, Inc.-Cash Portfolio: September 11, 2000 - April 27, 2004; and  
Smith Barney Equity Funds, Inc.-Social Awareness Fund: September 11, 2000 - May 29, 2002.**

**THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY; YOUR RIGHTS WILL BE AFFECTED BY THE PENDENCY AND SETTLEMENT OF A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

YOU ARE HEREBY NOTIFIED, that (i) on March 21, 2013, the United States District Court for the Southern District of New York issued an Order pursuant to Rule 23 of the Federal Rules of Civil Procedure certifying the above-captioned litigation (the “Action”) as a class action (the “Class Certification Order”) on behalf of a class of all persons and entities who purchased or sold Smith Barney Fund shares identified above between September 11, 2000 and June 24, 2004, inclusive, or their successors in interest, pursuant to a prospectus allegedly signed by Lewis E. Daidone<sup>3</sup> and who were damaged thereby, except for certain persons or entities excluded from the Class pursuant to the Court-ordered definition (the “Class”),<sup>4</sup> and (ii) that Court-appointed Lead Plaintiff David Zagunis (“Lead Plaintiff”) and Named Plaintiffs and Class Representatives Jeffrey Weber, the DVL 401(k) Plan, Bharat U. Shah, Steven W. Hall, Richard W. Rees, and Renee Miller, on behalf of the Plaintiffs in the Action have reached an agreement to settle the Action for an aggregated settlement payment of \$4.95 million in cash to the Class (the “Settlement”)

<sup>1</sup> In 2006, the Smith Barney family of mutual funds was reorganized into the Legg Mason Funds. The Settlement only applies to the Smith Barney Funds, not the Legg Mason Funds.

<sup>2</sup> All capitalized terms not otherwise defined herein shall have the meanings provided in the Amended Stipulation and Agreement of Settlement executed by the Parties on August 8, 2013 (the “Amended Stipulation”), as modified by written agreement on September 24, 2013, which is available at [www.transferagentssettlement.com](http://www.transferagentssettlement.com).

<sup>3</sup> The time periods referenced above reflect the effective dates of the respective Class Period prospectuses allegedly signed by Defendant Daidone.

<sup>4</sup> Excluded from the Class are defendant Daidone and any person or entity that engaged in the wrongful conduct identified in the Fourth Amended and Consolidated Complaint (the “Fourth Amended Complaint”) filed on February 28, 2012. Consistent with the Court-ordered Class definition, certain excluded persons or entities are more specifically identified in ¶1(b) of the Amended Stipulation.

A hearing will be held on October 20, 2014 at 11:30 a.m. before the Honorable William H. Pauley III at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 20B, New York, NY 10007, to determine: (i) whether the proposed Settlement should be approved as fair, reasonable and adequate; (ii) whether the proposed Plan of Allocation should be approved as fair and reasonable; (iii) whether the Action should be dismissed on the merits and with prejudice against the remaining Defendant, Lewis Daidone, and whether the releases specified and described in the Amended Stipulation should be granted; (iv) whether an application by Lead Counsel (defined in Section D below) for (a) an award of attorneys' fees to compensate Lead Counsel for prosecuting the Action and achieving the benefit for the Class embodied in the Settlement, (b) reimbursement of expenses incurred by Lead Counsel directly relating to the prosecution of the Action ("Litigation Expenses"), and (c) reimbursement of expenses incurred by Lead Plaintiff and Named Plaintiffs (including lost wages) directly relating to the representation of the Class ("Plaintiffs' Expenses") should be approved (the "Settlement Hearing").

If you are a member of the Class, your rights will be affected by the Action and the Settlement, and you may be entitled to share in the Settlement Fund. If you are interested in receiving a copy of a Long-Form Notice providing more details concerning the (I) Class Action, (II) Proposed Settlement and Plan of Allocation, (III) Settlement Hearing, (IV) Motion for Award of Attorneys' Fees and Reimbursement of Litigation Expenses and Plaintiffs' Expenses, and/or (V) Proof of Claim form, and/or other information concerning the Action and Settlement, you may download them from the website for the Action, [www.transferagentssettlement.com](http://www.transferagentssettlement.com). Copies of these documents can also be obtained by contacting the Claims Administrator at: *In re Smith Barney Transfer Agent Litigation*, c/o RG/2 Claims Administration LLC, P.O. Box 59479, Philadelphia, PA 19102-9479.

**YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:**

<b>SUBMIT A CLAIM FORM POSTMARKED BY JUNE 25, 2014.</b>	This is the only way to be eligible to receive a distribution from the Settlement Fund. If you are a Class Member and do not exclude yourself from the Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Claims (as defined in ¶¶44-46 of the Long Form Notice) that you have against Defendant Daidone and the Dismissed Citi Defendants. <b>In order to be eligible to receive a payment from the Settlement Fund, you must submit a Claim Form that sets forth, as accurately and completely as possible, information about your purchases and sales of Smith Barney Funds. Because of the size of the Settlement Fund, not every Class Member who files a Proof of Claim Form will necessarily receive a distribution from the Settlement Fund.</b> In addition, whether or not a Class Member receives a distribution from the Settlement Fund also depends on when shares of Smith Barney Funds were sold and how many claims are submitted. The Plan of Allocation (as described in Paragraph F below and ¶¶31-39 of the Long-Form Notice) will determine which Class Members will be eligible to receive a share of the Settlement Fund and you should therefore consult the plan to determine how distributions will be made.
<b>EXCLUDE YOURSELF BY MAY 30, 2014.</b>	Receive no payment from the Net Settlement Fund (as defined below). This is the only option that allows you to potentially participate in another lawsuit against Defendant Daidone or the Dismissed Citi Defendants.
<b>OBJECT BY MAY 30, 2014.</b>	Write to the Court if you do not like this Settlement, the Plan of Allocation (see Paragraph F below and ¶¶56-59 of the Long-Form Notice) and/or Lead Counsel's request for attorneys' fees and expenses and reimbursement of expenses to Lead and Named Plaintiffs. You cannot object to the Settlement, the Plan of Allocation, Plaintiffs' Attorneys' Fee, Litigation Expense requests and Plaintiffs' Expense request unless you are a Class Member and do not exclude yourself from the Class. You do not have to be present at the Settlement Hearing in order for you to have your objection considered by the Court.
<b>GO TO SETTLEMENT HEARING ON OCTOBER 20, 2014 AT 11:30 A.M.</b>	Request to speak in Court about the Settlement, the Plan of Allocation, and/or Lead Counsel's application for Attorneys' Fees, Litigation Expenses and reimbursement of Plaintiffs' Expenses, then attend the scheduled Settlement Hearing on October 20, 2014, at 11:30 a.m.
<b>DO NOTHING.</b>	If you are a member of the Class and you do not submit a Proof of Claim Form postmarked by June 25, 2014, you will not be eligible to receive any portion of the Net Settlement Fund but will nevertheless be deemed to have given up your right to sue about the claims against Daidone and the Citi Releasees that are resolved by the Settlement and will bound by any judgments or orders entered by the Court in the Action

**A. Overview of the Action and the Settlement Class**

This Action is a class action lawsuit brought by investors in certain mutual funds sponsored by Smith Barney Management LLC (identified and defined above as the "Smith Barney Funds") and alleges that they suffered damages as a result of alleged violations of the federal Securities Exchange Act of 1934. The Action alleges that prospectuses issued during the Class Period and allegedly signed by Daidone omitted material information concerning the true nature of the sub-transfer agency structure created by and related fees charged by certain Smith Barney entities, which resulted in allegedly improper transfer agent fees being charged to Class Members

and the improper retention of those fees by certain Smith Barney entities. The sole remaining Defendant in the Action is Lewis Daidone.

The proposed Settlement provides for the release of claims against the Defendant and the Dismissed Citi Defendants, as well as certain other parties related to them, as specified in ¶¶42-46 of the Long-Form Notice and as defined more fully in ¶¶14-18 of the Amended Stipulation. The Class consists of all persons and entities that purchased or sold shares in the Smith Barney Funds during the Class Period and applicable damages periods (as defined more fully above). Members of the Class will be affected by the Settlement, if approved by the Court, and may be eligible to receive a payment from the Settlement.

#### **B. Statement of the Class' Recovery**

The parties have agreed to settle all claims asserted in the Action in exchange for \$4.95 million in cash, plus interest as earned from the date the Settlement payment is escrowed after Preliminary Approval of the Settlement, until the distribution date (the "Settlement Amount"). The settlement payment is also referred to as the "Settlement Fund." The "Net Settlement Fund" (the Settlement Fund less any taxes, attorneys' fees, expert fees, Notice and Administration Costs, Litigation Expenses, or other costs and expenses approved by the Court) will be distributed in accordance with the Plan of Allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among Class Members who are eligible to participate in the distribution of the Net Settlement Fund. Plaintiffs estimate that the harm and potential recovery per damaged share of the Smith Barney Funds for each month held during the applicable damages period under the Settlement is between \$0.0000042 and \$0.0031633, before proration and deduction of Court-awarded attorneys' fees and expenses, depending on which of the Smith Barney Funds you have purchased during the Class Period. Please refer to Paragraph B of the Long-Form Notice which contains a chart entitled "Harm Per Share Per Month" and the hypothetical illustration provided therein for more specific details regarding the approximate potential recovery per damaged share for each of the Smith Barney Funds. Depending on which Smith Barney Fund a Class Member purchased, the number of shares for which claims were filed, when a Class Member purchased his or her shares of Smith Barney Funds, and if sold, when they were sold, an individual Class Member is likely to recover less than this per-share amount. *Moreover, as further described herein and in ¶¶24, 32 and 35 of the Long-Form Notice, allocation and distribution is subject to a \$10.00 minimum, thus if a Class Members' prorated Recognized Loss is less than \$10.00, there will be no recovery.*

Under the relevant securities laws, a claimant's recoverable damages are limited to the losses attributable to the alleged securities law violations. Losses which resulted from factors other than an alleged securities law violation are not recoverable from the Settlement Fund. For purposes of the Settlement herein, a Class Member's distribution from the Net Settlement Fund will be governed by the proposed Plan of Allocation described in Paragraph F below and ¶¶31-39 of the Long-Form Notice, or such other Plan of Allocation as may be approved by the Court.

**Statement of Potential Outcome of Case:** The parties disagree on both liability and damages and do not agree on the damages that would be recoverable if Plaintiffs were to prevail in the Action. Daidone and the Dismissed Citi Defendants deny that Plaintiffs have asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing or damages whatsoever. The issues on which the Parties disagree with respect to liability include, without limitation: (1) whether Daidone made any materially false or misleading statements during the Class Period or omitted to disclose material information in statements made by him that are necessary to make the statements he made not materially misleading; (2) if so, whether Plaintiffs and the other members of the Class were damaged as a result of the actionable conduct; and (3) the amount of damages, if any, caused by Daidone's conduct. The issues on which the Parties disagree with respect to damages, even assuming that Plaintiffs were to prevail on all liability issues, include, without limitation, the appropriate methodology for determining the amount by which the Smith Barney Fund shares were allegedly diminished (if at all) during the Class Period.

Plaintiffs' Counsel consider that there was a substantial risk that Plaintiffs and the other members of the of the Class might not have prevailed on any or all of their claims and that there were risks that any deduction in the value of the Smith Barney Funds arising out of transfer fee charges may not have been actionable. Therefore, Plaintiffs could have recovered nothing or substantially less than the amount of the Settlement. There is also a substantial risk that the Class would not have been able to achieve a substantially higher settlement due to the difficulty of Daidone to pay more than the Settlement Amount.

#### **C. Attorneys' Fees, Litigation Expenses and Expenses of Plaintiffs Sought**

Court-appointed Lead Counsel for Plaintiffs (as identified and defined in Paragraph D below) have performed their work in the Action on a contingent-fee basis and have not been compensated for the work performed or out-of-pocket expenses incurred litigating the Action. Lead Counsel will ask the Court for reimbursement of outstanding expenses incurred during the prosecution of the Action ("Litigation Expenses") in an amount not to exceed \$125,000, plus interest, which includes reasonable costs and expenses of Lead Plaintiff and Class Representatives directly related to their representation of the Class ("Plaintiffs' Expenses"). Lead Counsel will also apply for an award of attorneys' fees not to exceed 22.5% of the Settlement Fund for their efforts in connection with the Action, including: (i) investigating the facts and class claims; (ii) drafting and filing a detailed amended complaint; (ii) successfully opposing two motions to dismiss; (iii) successfully briefing and arguing Lead Plaintiffs' motion for class certification and achieving certification of the Class (which included extensive class discovery); (iv) reviewing and analyzing hundreds of thousands of pages of discovery produced in the Action; (v) preparing full merits mediation briefs and engaging in full merits mediation with nationally known mediator Jonathan Marks; and (vi) ultimately negotiating an agreement in principle to resolve the Action after many months of

mediator-assisted negotiation. If the Court approves Lead Counsel's fee and expense application, the average cost of attorneys' fees and expenses per share will be equal to approximately 25% of the estimated recovery per damaged share as set forth in the Paragraph B herein and Paragraph B of the Long-Form Notice. **Please note that these amounts are only estimates.**

Lead Counsel has been informed that Original Lead Counsel (Bernstein Liebhart, LLP, as identified and defined in ¶5 of the Long-Form Notice<sup>5</sup>) intend to ask the Court for an award of attorneys' fees for their role in the Action not to exceed 15% of the Settlement Fund, and reimbursement of expenses purportedly incurred during the Action not to exceed \$180,000. Lead Counsel reserves the right to oppose, in whole or in part, any fee or expense application made by Original Lead Counsel.

**D. Identification of Attorneys Representing the Class**

Plaintiffs and the Class are represented by the law firms of WeissLaw LLP and Stull, Stull & Brody, the Court-appointed Lead Counsel and Class Counsel in the Action ("Lead Counsel"). Any questions regarding the Settlement should be directed to:

Richard Acocelli, Esq.  
WeissLaw LLP  
1500 Broadway 16<sup>th</sup> Floor  
New York, NY 10036  
(212) 682-3025  
(888) 593-4771 (toll free)

Mark Levine, Esq.  
Stull, Stull & Brody  
6 E. 45th Street  
New York, NY 10017  
(212) 687-7230  
(800) 337-4983 (toll free)

The Court has appointed a Claims Administrator, who is also available to answer questions from Class Members regarding matters contained in this Notice and from whom additional copies of this Notice and Proof of Claim Form may be obtained. The Administrator has also established a website, [www.transferagentssettlement.com](http://www.transferagentssettlement.com), containing this Notice, the Long-Form Notice, Proof of Claim Form, Amended Stipulation and other documents relevant to the Settlement, and questions may be directed to the Administrator at the below address and/or email address:

*In re Smith Barney Transfer Agent Litigation*  
c/o RG/2 Claims Administration LLC  
P.O. Box 59479  
Philadelphia, PA 19102-9479  
[info@transferagentssettlement.com](mailto:info@transferagentssettlement.com)

Please do not contact any representative of the Defendant or the Court with questions about the Settlement.

**E. Reasons for the Settlement**

Plaintiffs believe that the proposed Settlement is a substantial recovery and is in the best interests of the Class. The principal reasons for entering into the Settlement are the substantial benefits payable to the Class now, without further risk or the delays inherent in further litigation. The significant cash benefits under the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after a contested summary judgment process, a contested trial (if the Plaintiffs prevailed on previous motions) and possible appeals at each stage, a process that may last years into the future. Plaintiffs further considered, after conducting substantial investigation into the facts of the case, the risks to proving liability and damages and if successful in doing so, whether a larger judgment could ultimately be obtained, and if so, whether Daidone would have been able to pay it. For Daidone, who denies all allegations of wrongdoing or liability whatsoever (and also denies all allegations that any conduct on his part caused any Class Members to suffer **any damages**), **the principal reason for entering into the Settlement is to eliminate the expense, risks and uncertainty of further litigation.**

**F. Proposed Plan of Allocation**

**PROPOSED PLAN OF ALLOCATION**

1. The Plan of Allocation is based, in part, on the allegations in the Complaint that the Defendant made materially untrue and misleading statements and omissions resulting in violations of Sections 10(b) and 20(a) of the Exchange Act and thereby caused damages to purchasers of Smith Barney Funds during the Class Period. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to those Class Members who suffered the greatest economic losses resulting from the alleged violations of the federal securities laws (i.e., the alleged omissions concerning the true nature of sub-transfer agent arrangement which led to the alleged "improper retention" of transfer agent fees during the Class Period), as opposed to factors unrelated to the alleged violations of law. Plaintiffs' theory of economic loss is based upon the purported diminution of the value of their Class

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<sup>5</sup> As described more fully in ¶5 and 12-13 of the Long-Form Notice, on April 17, 2006 the Court appointed plaintiffs Operating Local 649 Annuity Trust Fund Local 649 ("Local 649") and Jeffrey Weber as lead plaintiff ("Original Lead Plaintiff") and the law firm of Bernstein Liebhart, LLP as lead counsel ("Original Lead Counsel") in the Actions. On August 31, 2011, Local 649 withdrew as Original Lead Plaintiff. On December 15, 2011, the Court entered an order replacing Original Lead Plaintiff with current Lead Plaintiff David Zagunis, and Original Lead Counsel with current Lead Counsel WeissLaw LLP and Stull, Stull & Brody.

Period investments in an amount equal to the fees that were “improperly” charged and retained by Smith Barney entities during the Class Period pursuant to the allegedly undisclosed transfer agent arrangement. As such, Plaintiffs believe that the objective of the Plan of Allocation is to prorate and distribute the Settlement Fund based upon (i) which Funds paid the most transfer agent fees during the Class Period, and (ii) which Class Members had the largest investments in those Funds, thereby suffering the greatest economic loss. Daidone and the Dismissed Citi Defendants deny that any of the transfer agent fees paid during the Class Period were “improperly retained” and that Class Members have suffered any quantifiable economic loss resulting from the alleged prospectus omissions.

### **Eligible Class Members**

2. The Plan of Allocation has been proposed to the Court for its approval by Plaintiffs and Lead Counsel. The proposed Plan of Allocation is based upon Class Members’ prorated share of damages in accordance with the objectives set forth in Paragraph F.1 above. The Plan of Allocation contemplates distribution of the Net Settlement Fund to Class Members who can demonstrate that they purchased Smith Barney Funds during the applicable damages periods set forth on page 1 of this Notice (“Eligible Class Members”) and can demonstrate a prorated Recognized Loss (defined below) of \$10.00 or more. A Class Member may potentially recover in as many of the Funds as he, she or it qualifies as an Eligible Class Member with a prorated Recognized Loss of at least \$10.00.<sup>6</sup> As such, the payment, if any, will be determined based upon factors identified below, including whether you maintained shares in a Fund in which you are an Eligible Class Member on or about May 9, 2010 (the date of distribution by the SEC to that Fund arising out of the settlement of related litigation) (“May 2010 SEC Distribution”) and if so how many shares you maintained.
3. ***Submitting a Claim Form, qualifying as an Eligible Class Member and demonstrating a Recognized Loss in any given Fund does not guarantee you will receive a recovery. As discussed above and below, your Recognized Loss will be pro-rated based upon the number of valid claims submitted and the magnitude of all Recognized Losses and potentially reduced or eliminated based upon your holdings at the time of the May 2010 SEC Distribution.***

### **Allocation of Settlement Fund Proceeds Among the Funds**

4. Consistent with the objectives set forth in paragraph F.1, Plaintiffs and their expert first determined which portion of the Settlement Fund should be allocated to which Fund for distribution to Eligible Class Members of those Funds based on the relative amount of alleged “improperly retained” transfer agent fees charged to and paid by the Funds.<sup>7</sup>

### **Calculation and Allocation of Recognized Loss**

5. Plaintiffs’ expert calculated estimated alleged damages incurred by investors in each Fund based upon the actual amounts of transfer agent fees paid by the each Fund during the respective damages period and the number of outstanding shares in each Fund. These amounts are set forth in the chart entitled “Harm Per Fund Per Month” in Paragraph B of the Long-Form Notice. The amount of your potential recovery in each Fund in which you are an Eligible Class Member can be calculated based upon the Fund(s) in which you invested during each Funds’ applicable damages periods, the number of shares you purchased, sold or held (if purchased or sold during a damages period) during each Funds’ applicable damages period, how long you held those shares and when you sold them, as set forth in the illustration included in Paragraph B of the Long-Form Notice (“Recognized Loss”). If you submit records of your applicable damages period transactions sufficient to make a full calculation of your Recognized Loss in a Fund in which you are an Eligible Class Member ***and*** your prorated Recognized Loss for that fund is at least \$10.00, you will recover a prorated amount of your Recognized Loss for that Fund. ***Please note: If you continued to hold some or all of your applicable damages period investments at the time of the May 2010 SEC Distribution, your Recognized Loss could be eliminated or reduced by an amount equal to the pro-rata per-share benefit received via the May 2010 SEC Distribution.***
6. The receipt or grant by gift, devise or inheritance of Smith Barney Fund shares during the Class Period shall not be deemed to be a purchase or acquisition of such shares for the purposes of the Settlement if the Person from whom the Smith Barney Fund shares were acquired did not themselves acquire their shares during the Class Period, nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such shares unless specifically provided in the instrument or gift or assignment.

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<sup>6</sup> For example, if a Class Member submits a valid Claim Form with documentation sufficient to establish that the purchase or redemption shares in five (5) of the Smith Barney Funds during those Funds’ respective damages periods, the Class Member would be an Eligible Class Member for five (5) Funds and could potentially receive five (5) separate recoveries to the extent that the prorated Recognized Loss for each of the five Funds exceeds \$10.00. (i.e., one for each Fund for which he, she or it is an Eligible Class Member and meets the minimum threshold).

<sup>7</sup> In accordance with calculations performed by Lead Counsel and Plaintiffs’ expert, a portion of the Settlement Amount has been allocated to each Fund for distribution to Eligible Class Members based upon the amount of alleged “improperly retained” transfer agency fees paid by each Fund during the respective damages periods. For example, the Smith Barney Aggressive Growth Fund, Inc. (“Aggressive Growth”) paid approximately 9.2% of the total alleged “improperly retained” transfer agent fees cumulatively paid by the Funds during the Class Period, thus approximately 9.2% of the Settlement Fund, or \$456,904, is allocated and available for distribution to Eligible Class Members who invested in Aggressive Growth. An Eligible Class Member for a particular Fund can only recover out of the portion of the Settlement Fund that has been designated for that Fund. A Class Member for one Fund may recover from the amounts designated for another Fund only if there are excess funds following an initial allocation and distribution, and at the discretion of the Claims Administrator and Plaintiffs’ Counsel. Additional details concerning how proceeds of the Settlement Fund were allocated to and designated among the Funds, including the exact amounts available in for distribution to each respective Funds’ Eligible Class Members, are set forth in ¶¶36-37 of the Long-Form Notice.

7. If any funds remain in the Net Settlement Fund by reason of uncashed distributions or otherwise, then after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall, if feasible and practicable, be redistributed to Class Members who have cashed their initial distributions in a manner consistent with the Plan of Allocation. Lead Counsel shall, if feasible, continue to reallocate any further balance remaining in the Net Settlement Fund after the redistribution is completed among Class Members in the same manner and time frame as provided for above. In the event that Lead Counsel determines that further redistribution of any balance remaining (following the initial distribution and redistribution) is no longer feasible or reasonable based on the cost involved, thereafter, Lead Counsel shall donate the remaining funds, if any, to a non-sectarian charitable organization(s) certified under the United States Internal Revenue Code § 501(c)(3), to be designated by Lead Counsel and approved by the Court.
8. Payment pursuant to the Plan of Allocation as approved by the Court shall be conclusive against all Class Members. No person shall have any claim against Plaintiffs, Lead Counsel, Defendant Daidone or the Dismissed Citi Defendants, and their respective counsel, or other agent designated by Lead Counsel, arising from distributions made substantially in accordance with the Amended Stipulation, the Plan of Allocation approved by the Court, or further orders of the Court. Lead Counsel, Plaintiffs, Defendant Daidone, the Dismissed Citi Defendants and their respective counsel shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation, or the determination, administration, calculation, or payment of any claim or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund, or any losses incurred in connection therewith.
9. The Court may approve the Plan of Allocation as proposed or it may modify the Plan of Allocation without further notice to the Class. The Court will retain jurisdiction over the Plan of Allocation to the extent necessary to ensure that it is fully and fairly implemented. Any orders regarding any modification of the Plan of Allocation will be posted on the settlement website: [www.transferagentssettlement.com](http://www.transferagentssettlement.com).

If you purchased or otherwise acquired or sold Smith Barney Fund shares during the relevant and applicable damages periods within the Class Period set forth above for the beneficial interest of persons or organizations other than yourself, you must, WITHIN FIFTEEN (15) CALENDAR DAYS AFTER RECEIPT OF THIS NOTICE, (1) PROVIDE A COPY OF THIS NOTICE AND PROOF OF CLAIM FORM TO ALL SUCH BENEFICIAL OWNERS, or (2) PROVIDE THE NAMES AND ADDRESSES OF SUCH PERSONS OR ENTITIES to *In re Smith Barney Transfer Agent Litigation*, c/o RG/2 Claims Administration LLC, P.O. Box 59479, Philadelphia, PA 19102-9479, and/or [info@transferagentssettlement.com](mailto:info@transferagentssettlement.com). Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the out-of-pocket expenses for which reimbursement is sought, subject to Court approval. Copies of this Notice and Proof of Claim Form can be obtained from the website maintained by the Claims Administrator, [www.transferagentssettlement.com](http://www.transferagentssettlement.com), or by calling the Claims Administrator toll-free at (866)-742-4955.

Dated: October 7, 2013

By Order of the Court

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

**Reminder Checklist:**

1. Please sign the Release section of the Proof of Claim Form in Part V.
2. If this claim is being made on behalf of joint claimants, both must sign.
3. Remember to attach supporting documentation, if available.
4. Keep a copy of your Proof of Claim Form and all documents submitted for your records.
5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.
6. If you move, please send the Administrator your new address.

**These forms and your supporting documentation must be  
postmarked no later than June 25, 2014.**

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