

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

RECEIVED
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SELMA S. BUYCKS-ROBERSON; CALVIN R.)
ROBERSON; and RENEE BROOKS, on behalf)
of themselves and others similarly situated,)

Plaintiffs,)

vs.)

CITIBANK FEDERAL SAVINGS BANK,)

Defendant.)

No. 94 C 4094
Judge Castillo

Magistrate Judge Lefkow

PRELIMINARY APPROVAL ORDER

This cause having come before the Court to be heard on the parties' Joint Motion for Preliminary Approval of Settlement Agreement, and the Court being duly advised in the premises,

IT IS HEREBY ORDERED THAT:

1. The proposed settlement that is contained in the Settlement Agreement dated January 9, 1998 is preliminarily approved and a hearing to consider final approval, upon notice, shall be held as set forth herein.

2. For purposes of settlement only, the following Settlement Class is hereby certified:

All persons: (i) who are African-American; and (ii) who applied for a first mortgage home purchase or refinance loan with Citibank for property located in Cook, DuPage, Lake or McHenry County, Illinois; and (iii) whose request for such a loan was turned down by Citibank at any time during the period from July 6, 1992 to December 31, 1995.

3. Plaintiffs Selma Buycks-Roberson, Renee Brooks and Calvin Roberson are deemed adequate representatives and are appointed as Class Representatives.

4. The Court approves Judson Miner, Fay Clayton and John Wickert as counsel for the Settlement Class ("Class Counsel").

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5. There has been no finding of a pattern or practice of discrimination at Citibank.

6. A hearing (the "Settlement Hearing") will be held before this Court on April 20, 1998 at 1:00 p.m., in Courtroom 2319 in the Federal Building, 219 South Dearborn, Chicago, Illinois 60604, for the purpose of determining whether the proposed settlement on the terms and conditions provided for in the Settlement Agreement is fair, reasonable, adequate and in the best interests of the Settlement Class and should be approved by the Court and whether a final judgment should be entered thereon. The Court shall also consider an application by Class Counsel for an award of attorneys' fees and expenses at that time. Class Counsel shall submit their fee petition to the Court on or before May 4, 1998, and, as provided in the Settlement Agreement, the fee petition will not exceed \$950,000.00. The Settlement Hearing may be adjourned by the Court from time to time without further notice to the Settlement Class.

7. The Court approves the proposed Class Notice and finds that the Notice substantially in the form set forth in the Settlement Agreement and Exhibit A to this Order meets the requirements of Federal Rule of Civil Procedure 23, due process and federal law and shall constitute due and sufficient notice to all persons entitled thereto.

8. Defendant shall cause the Notice to be sent as follows:

a. On or before February 14, 1998, Defendant shall cause copies of the Notice of Pendency of Class Action and Proposed Settlement and Hearing (the "Notice") substantially in the form set forth in Exhibit A to this Order to be mailed to all Class Members at their last known addresses as on file with Citibank. Such notice is the only notice required to be given to members of the Class, and this notice satisfies the requirement of due process and federal law.

b. At or prior to the Settlement Hearing, counsel for Defendant shall file an affidavit confirming that Defendant has mailed the Notice in accordance with subparagraph 8(a) above. All expenses of such Notice shall be paid by the Defendant.

9. Members of the Settlement Class shall be bound by all determinations and judgments entered in this Action, whether favorable or unfavorable, unless such persons shall mail by first class a written request for exclusion from the Settlement Class to Michael W. Dobbins, the Clerk of the Court, at a post office box to be obtained by Class Counsel. Exclusion requests must be postmarked by no later than March 16, 1998. Plaintiffs' Counsel shall obtain all exclusions and objections from the post office box at 5:00 p.m. on March 18, 1998 and again on March 23, 1998 and respectively file them with the Court and serve them on counsel for the defendant, Alan N. Salpeter, Robert J. Kriss, and Lucia Nale, Mayer, Brown & Platt, 190 South LaSalle Street, Chicago, Illinois 60603.

10. Any Class Member who has not requested exclusion in the manner provided in Paragraph 9 of this Order may appear and show cause why the settlement should not be approved as fair, reasonable and in the best interests of the Settlement Class, why a judgment should not be entered thereon or why attorneys' fees should not be paid; provided that no Settlement Class Member or any other person shall be heard or be entitled to contest the approval of the terms and conditions of the proposed settlement or, if approved, the judgment to be entered thereon approving the same, unless by no later than March 16, 1998 that person has delivered (a) a notice of intention to appear; (b) evidence of membership in the Settlement Class (such as a copy of his or her loan application or loan declination letter); (c) a detailed written statement of such person's specific objection(s) to such matter(s); and (d) the grounds therefor and the reasons for such

person desiring to appear and be heard, as well as all documents and writings which such person desires the Court to consider, and caused said materials to be delivered by March 16, 1998 with due proof of service, to the post office box to be obtained by Plaintiffs' Counsel who shall then file said materials with the Court and serve them on counsel for the Defendant, listed in Paragraph 9 above.

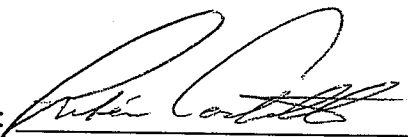
11. Any member of the Settlement Class who does not object in the manner provided in Paragraph 10 shall forever be foreclosed from making any objection to the fairness or adequacy of the proposed Settlement as incorporated in the Settlement Agreement and to the award to Class Counsel of fees, expenses and costs, and shall be bound by any judgment or order entered herein. The Clerk of the Court shall make available for review by all Settlement Class Members and/or their counsel a copy of the Court file containing all documents that have been filed in this Action to date.

12. All pretrial proceedings in this Action are stayed and suspended until further order of the Court. Pending the final determination of the fairness, reasonableness and adequacy of the proposed settlement, no Member of the Settlement Class (or any of their present or former agents, attorneys, representatives, trustees, heirs, executors, administrators, predecessors, successors or assigns) or any other person may institute, commence, or prosecute any action or proceeding involving any claim which has been or could have been asserted in this Action, that relates in any way to applications by Class Members or any African-American for a first mortgage home purchase or refinance loan, or that arises out of or is in any way related to any acts, facts, transactions, representations, omissions or other subject matter set forth, alleged, embraced or otherwise referred to in the Complaint or the Settlement.

13. In the event that the proposed Settlement as provided in the Settlement Agreement is not approved by the Court, or if for any other reason the proposed settlement shall not become final and unappealable, the Settlement shall, without any further act by any party thereto, become null and void and of no further force and effect, and shall not be used or referred to for any purpose whatsoever. In such event, the Settlement and all negotiations and proceedings relating thereto shall be withdrawn without prejudice as to the rights of any and all parties thereto, who shall be restored to their respective positions existing prior to the date of the Settlement.

14. The Court retains jurisdiction over this Action to consider all further applications arising out of or connected with the proposed Settlement, including enforcement of the Settlement.

Dated: January 15, 1998

ENTER: 
Judge Ruben Castillo

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

SELMA S. BUYCKS-ROBERSON; CALVIN R.)
ROBERSON; and RENEE BROOKS, on behalf)
of themselves and others similarly situated,)

Plaintiffs,)

vs.)

CITIBANK FEDERAL SAVINGS BANK,)

Defendant.)

No. 94 C 4094

Judge Castillo

Magistrate Judge Lefkow

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

IF YOU APPLIED FOR A HOME PURCHASE OR REFINANCE FIRST MORTGAGE LOAN WITH CITIBANK FEDERAL SAVINGS BANK, AND CITIBANK TURNED DOWN YOUR LOAN REQUEST AT ANY TIME DURING THE PERIOD FROM JULY 6, 1992 THROUGH DECEMBER 31, 1995, PLEASE READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR RIGHTS.

IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR THE SETTLEMENT, PLEASE CONTACT CLASS COUNSEL LISTED IMMEDIATELY BELOW:

Judson H. Miner
Miner, Barnhill & Galland
14 West Erie Street
Chicago, IL 60610
(312) 751-1170

Fay Clayton
John Wickert
Robinson, Curley & Clayton, P.C.
300 South Wacker Drive
Suite 1700
Chicago, IL 60610
(312) 663-3100

* * * *

This Notice is a notification that you may be a member of a plaintiff class in a lawsuit brought by Selma Buycks-Roberson, Renee Brooks and Calvin Roberson ("Plaintiffs") on behalf of a plaintiff class against Citibank, Federal Savings Bank ("Citibank"). This is not a notification that you have been sued.

I. DESCRIPTION OF THE LITIGATION

This lawsuit is pending in the United States District Court for the Northern District of Illinois (the "Court") against Citibank (the "Defendant"). The lawsuit charges that Citibank unlawfully discriminated against African-American applicants seeking first mortgage home purchase or refinance loans for property located in Cook, Lake, DuPage or McHenry County, Illinois, on the basis of their race or the racial composition of their neighborhoods. The lawsuit seeks damages, injunctive relief, attorneys' fees and costs from Defendant.

Citibank denies that it discriminated against any loan applicant on the basis of race and denies that it has otherwise acted unlawfully in the conduct of its mortgage business. Citibank has contested all of the Plaintiffs' claims.

Plaintiffs and Class Counsel have conducted an investigation into the relevant facts and law and recognize the difficulty, expense, and time consuming nature of such complex litigation and the uncertainty inherent in predicting the outcome of this action. Based on all of these considerations, Plaintiffs and Plaintiffs' Class Counsel have concluded that the Settlement with Defendant (the "Settlement") is fair, reasonable and in the best interests of the Plaintiffs and the Class Members, as defined below.

The Court has made no finding of liability against Citibank or in favor of Plaintiffs. All parties and the Court have agreed that you should know that there has been no finding of a policy of discrimination by Citibank in this lawsuit. Citibank, denying any wrongdoing, has agreed to settle the lawsuit in order to avoid the costs and business disruption of further litigation and to provide additional encouragement to African-Americans to apply for, and obtain, loans from Citibank. This Notice should not be understood as an expression of any opinion by the Court as to the merits of any of the claims or defenses asserted by Plaintiffs or Citibank.

II. THE SETTLEMENT CLASS

For purposes of settlement only, the Court has certified the following Settlement Class (the "Settlement Class"):

All persons: (i) who are African-American; and (ii) who applied for a first mortgage home purchase or refinance loan with Citibank for property located in Cook, DuPage, Lake or McHenry County, Illinois; and (iii) whose request for such a loan was turned down by Citibank at any time during the period from July 6, 1992 to December 31, 1995.

Persons who meet the above description are referred to as "Settlement Class Members" or "Class Members." The Court has certified as Settlement Class Representatives the Plaintiffs, Selma Buycks-Roberson, Calvin Roberson and Renee Brooks (the "Settlement Class

Representatives"), and has preliminarily approved the attorneys listed on page one as counsel for the Class ("Class Counsel").

III. SUMMARY OF SETTLEMENT TERMS

The proposed Settlement is intended to settle all claims of Settlement Class Members against Citibank that have been alleged, could have been alleged or could hereafter be alleged up until the date of final judgment, under federal, state or local law, or common law, relating to any application by any Class Member for a first mortgage home purchase or refinance loan. This includes, for example, any and all claims relating to Citibank's mortgage loan practices or policies and claims alleging that Citibank discriminated against mortgage loan applicants on the basis of their race. If you do not exclude yourself from the Settlement under the procedure described below, and the Settlement is approved by the Court and the approval becomes final, you will release all such claims and will be entitled to receive the financial benefits described below. If the Settlement is not approved by the Court, or does not become final for any other reason, the litigation will continue and the benefits described in this notice will not be available to the class.

IV. BENEFITS UNDER THE PROPOSED SETTLEMENT

The Court on January 15, 1998 entered a Preliminary Approval Order in which it found preliminarily that the proposed Settlement is fair, reasonable and adequate to the Settlement Class. Citibank is offering the benefits provided under the Settlement in order to provide additional encouragement to African-Americans to apply for, and obtain, loans from Citibank. The following is a description of the benefits which will be available to the Settlement Class members if the Court enters a final judgment approving the Settlement:

1. **BENEFITS FOR ALL CLASS MEMBERS.** Citibank will undertake efforts to organize a lending consortium consisting of Citibank and several other lending institutions in the Chicagoland area to assist low to moderate income applicants in obtaining mortgages. The program will be modeled after existing programs in other cities and will stay in effect for two years. The goal of the consortium will be to establish a review process whereby denied applicants of a participating lender can contact a loan committee established by the consortium in order to have the committee reevaluate their mortgage loan application to determine if the loan request can be approved under the loan policies and programs of one of the other lending institutions participating in the consortium. If such a lending consortium cannot be formed, Citibank will establish an independent mortgage counseling service for Citibank applicants who are denied mortgage loans to assist them in subsequently obtaining mortgage loans from Citibank. The goal of the counseling service program will be to provide counseling to low to moderate income mortgage applicants whose loan applications have been turned down to assist them in clearing up credit problems or other deficiencies that caused their application to be denied. Citibank will choose an independent mortgage counselor that is acceptable to Class Counsel. The independent mortgage counseling service will stay in effect for two years.

2. FINANCIAL BENEFITS FOR ALL SETTLEMENT CLASS MEMBERS. Under the Settlement, financial benefits available to Settlement Class Members who do not opt-out of the Settlement varies depending upon whether such Members are eligible for membership in either Benefit Class A, Benefit Class B, or Benefit Class C, as described herein. All Settlement Class Members who do not opt-out of the Settlement are members of Benefit Class A and are also entitled to the non-monetary benefits available to the entire Settlement Class, as set forth in Paragraph 1, above. Settlement Class Members eligible for membership in either Benefit Class B or Benefit Class C who do not opt out of the Settlement are entitled to the relief available to their particular Benefit Class (as described below), as well as the relief available to Benefit Class A and the relief available to the entire Settlement Class, as set forth in Paragraph 1, above.

3. FINANCIAL BENEFITS FOR BENEFIT CLASS A. Benefit Class A comprises all Settlement Class members who do not exclude themselves from the Settlement Class. Benefit Class A members will be entitled to have the application fee waived, on a one-time basis, if they apply for a first mortgage loan with Citibank at any time within two years from the date of the final judgment approving this Settlement. To qualify to obtain the application fee waiver, Benefit Class A Members must submit the Proof of Claim provided at the end of this Notice, postmarked on or before March 16, 1998. If the Court enters a final judgment approving the Settlement, Settlement Class Members who have timely submitted postmarked Proofs of Claim will be mailed a letter from Citibank advising them of the particular Benefit Class that they qualify for and setting forth the process to be followed by them in order to claim and receive their benefits. Benefit Class A members will have two years from the date of the Final Judgment approving the Settlement within which to take advantage of and use their Application Fee waiver at Citibank.

4. FINANCIAL BENEFITS FOR MEMBERS OF BENEFIT CLASSES B AND C. Citibank will create a Benefits Fund in the amount of \$360,000 to be distributed and disbursed to the Members of Benefit Class B and Benefit Class C in the manner set forth below. The amount of the Benefits Fund is fixed and will not exceed \$360,000. The actual amounts received by Members of Benefit Classes B and C may vary depending upon the total number of qualified Members in Benefit Classes B and C. If the total amount available in the Benefits Fund is not claimed by Benefit Class B and C Members within two years of the date on which the Court enters a final judgment approving the Settlement, any assets remaining in the Benefits Fund will be used by Citibank within three years after the date of final judgment approving the Settlement to provide additional funding for outreach, educational or other programs designed to assist minorities in obtaining loans from Citibank.

**PLEASE CHECK THE PROOF OF CLAIM FORM ATTACHED TO THIS NOTICE
TO DETERMINE WHETHER OR NOT YOU ARE IN BENEFIT CLASS B OR C**

In order to be eligible to claim the benefits available to members of Benefit Class B or C, you must submit the Proof of Claim provided at the end of this Notice, postmarked on or before March 16, 1998. If the Court enters Final Judgment approving the Settlement, Benefit

Class Members who have timely submitted postmarked Proofs of Claim will be mailed a letter from Citibank advising them which Benefit Class they qualify for and explaining the process that they should follow in order to claim and receive some of the benefits described below for which they may be eligible. Benefit Class B and Benefit Class C Members will have two years from the date of the Final Judgment approving the Settlement within which to claim any benefits to which they be entitled to from Citibank. Members of Benefit Class B and C also qualify as Members of Benefits Class A and are entitled to one-time Application Fee Waiver, as described in paragraph 3, above.

5. MEMBERSHIP IN BENEFIT CLASS B Benefit Class B comprises all Settlement Class Members who do not exclude themselves from the Settlement Class and who (a) submitted an application for a first mortgage home purchase loan which was denied by Citibank at any time during the period from July 6, 1992 through December 31, 1995 or submitted an application for a first mortgage refinance loan which was denied by Citibank at any time during the period from July 6, 1992 to December 31, 1992; and (b) had a "Designated Credit Score," as that term is defined in the Settlement Agreement, at the time they originally applied for a first mortgage loan with Citibank.

6. CONSEQUENCES OF BEING IN BENEFIT CLASS B. Qualified members of Benefit Class B who:

- (a) re-apply for a first mortgage loan with Citibank at any time within two years from the date of the final judgment approving this Settlement, satisfy the "Lending Criteria," as that term is defined in Paragraph 9, at the time they re-apply, and are approved for a first mortgage loan by Citibank and accept the loan, are entitled to cash or credits against closing costs in an amount between \$2,500.00 and \$3,250.00 depending on the number of Class Members who timely file Proofs of Claim; or
- (b) re-apply for a first mortgage loan with Citibank at any time within two years from the date of the final judgment approving this Settlement, satisfy the "Lending Criteria," as that term is defined in Paragraph 9, at the time they re-apply, and are denied a first mortgage loan by Citibank, are entitled to a cash payment in an amount between \$2,500.00 and \$3,250.00 depending on the number of Class Members who timely file Proofs of Claim; or
- (c) re-apply for a first mortgage loan with Citibank at any time within two years from the date of the final judgment approving this Settlement, satisfy the "Lending Criteria," as that term is defined in Paragraph 9, at the time they re-apply, and are approved for a first mortgage loan by Citibank but decline the loan, are entitled to no benefits under the Settlement, except as provided in paragraph (d), below; or

- (d) Benefit Class B Members who would otherwise qualify for a first mortgage loan under paragraph (c), but have interest rates on their existing first mortgage loans more favorable than that available at Citibank at the time they seek to re-apply with Citibank for a first mortgage loan, may instead apply for a home equity loan, rather than a first mortgage loan, with Citibank. If such Member qualifies for a home equity loan under existing Citibank standards and the loan is approved by Citibank and accepted by such Member, such Member is entitled to a cash payment or closing cost credits in the amount of \$1,625.00. If such Member does not qualify for a home equity loan under existing Citibank standards and the loan is denied, such Member is entitled to a cash payment in the amount of \$1,625.00. If such Member qualifies for a home equity loan under existing Citibank standards and the loan is approved but the Member declines the loan, the Member is entitled to no benefits under the Settlement.

No Class Member may claim benefits under this paragraph (d) if at the time they apply for the home equity loan, Citibank has already approved a loan application submitted by them to Citibank under this Settlement for a first mortgage loan. In such case, the Class Member will be subject to paragraph (a) above should they accept the first mortgage loan approved by Citibank and receive no benefits under the Settlement should they decline the first mortgage loan. In such cases where a Class Member applies under the Settlement to refinance an existing first mortgage and the interest rate on their existing mortgage is more favorable than that Citibank makes available to the Class Member at the time they so apply, then before Citibank begins to process the refinance application, it will advise the Class Member of their option under this provision to instead apply for a home equity loan.

- (e) Members of Benefit Class B who do not satisfy the Lending Criteria at the time they re-apply for a first mortgage loan with Citibank, are entitled to a cash payment of \$1,625.00, unless Citibank approves their loan, in which case such members will be subject to paragraphs (a) through (d), above.

7. MEMBERSHIP IN BENEFIT CLASS C. Benefit Class C comprises all Settlement Class Members who do not exclude themselves from the Settlement Class and who (a) submitted an application for a first mortgage refinance loan which was denied by Citibank at any time during the period from January 1, 1993 to December 31, 1995; and (b) had an "Designated Credit Score," as that term is defined in the Settlement Agreement, at the time they originally applied for a first mortgage loan with Citibank.

8. CONSEQUENCES OF BEING A MEMBER OF BENEFIT CLASS C. Qualified members of Benefit Class C who:

- (a) re-apply for a first mortgage loan with Citibank at any time within two years from the date of the final judgment approving this Settlement, satisfy the

"Lending Criteria," as that term is defined in Paragraph 9, at the time they re-apply, and are approved for a first mortgage loan by Citibank and accept the loan, are entitled to cash or credit against closing costs in an amount between \$770.00 and \$1,000.00 depending on the number of Class Members who timely file Proofs of Claim; or

- (b) re-apply for a first mortgage loan with Citibank at any time within two years from the date of the final judgment approving this Settlement, satisfy the "Lending Criteria," as that term is defined in Paragraph 9, at the time they re-apply, and are denied a first mortgage loan by Citibank, are entitled to a cash payment in an amount between \$770.00 and \$1,000.00 depending on the number of Class Members who timely file Proofs of Claim; or
- (c) re-apply for a first mortgage loan with Citibank at any time within two years from the date of the final judgment approving this Settlement, satisfy the "Lending Criteria," as that term is defined in Paragraph 9, at the time they re-apply, and are approved for a loan by Citibank but decline the loan, are entitled to no benefits under the Settlement, except as provided in paragraph (d), below.
- (d) Benefit Class C Members who would otherwise qualify for a first mortgage loan under paragraph (c), but have interest rates on their existing first mortgage loans more favorable than that available at Citibank at the time they seek to re-apply with Citibank for a first mortgage loan, may instead apply for a home equity loan, rather than a first mortgage loan, with Citibank. If such Member qualifies for a home equity loan under existing Citibank standards and the loan is approved by Citibank and accepted by such Member, such Member is entitled to a cash payment or credit against closing costs in an amount between \$770.00 and \$1,000.00, depending on the number of Class Members who timely file Proofs of Claim. If such Member does not qualify for a home equity loan under existing Citibank standards and the loan is denied, such Member is entitled to a cash payment in an amount between \$770.00 and \$1,000.00 depending on the number of Class Members who timely file Proofs of Claim. If such Member qualifies for a home equity loan under existing Citibank standards and the loan is approved but the Member declines the loan, the Member is entitled to no benefits under the Settlement.

No Class Member may claim benefits under this paragraph (d) if at the time they apply for the home equity loan, Citibank has already approved a loan application submitted by them to Citibank under this Settlement for a first mortgage loan. In such case, the Class Members will be subject to paragraph (a) above should they accept the first mortgage loan approved by Citibank and receive no benefits under the Settlement should they decline the first mortgage loan. In such cases where a Class Member applies under the Settlement to refinance an existing first mortgage and the interest rate on their existing

mortgage is more favorable than that Citibank makes available to the Class Member at the time they so apply, then before Citibank begins to process the refinance application, it will advise the Class Member of their option under this provision to instead apply for a home equity loan.

- (e) Members of Benefit Class C who do not satisfy the Lending Criteria at the time they re-apply for a first mortgage loan with Citibank, are entitled to a cash payment in an amount of \$500.00, unless Citibank approves their loan, in which case such members shall be subject to paragraphs (a) through (d), above.

9. LENDING CRITERIA. As used in the Settlement Agreement, the term "Lending Criteria" means (1) a Credit Score of 785 or higher; (2) a bank-end ratio not exceeding 42 percent; and (3) a loan-to-value ratio not exceeding 95 percent. "Credit Score" refers to a computerized point scoring system that is proprietary to Citibank and used by it to assess and rate a loan applicant's credit. "Back end ratio" is calculated by dividing a person's total monthly obligations by their gross monthly income. "Loan to value ratio" is calculated by dividing the requested loan amount by the lower of either the appraised value or the contract price of the loan property in question.

10. COMBINING BENEFITS. Benefit Class Members may not combine any benefit received under the Settlement with any other benefits, coupons or discounts that Citibank offers, issues or recognizes.

11. RELIEF WITH RESPECT TO THE CLASS REPRESENTATIVES. In recognition of the efforts of the Class Representatives on behalf of the Class, if a final judgment is entered approving the Settlement, Citibank will pay them an aggregate incentive award of \$60,000.

12. PAYMENT TO PLAINTIFFS' CLASS COUNSEL. Citibank has agreed to create a fund, up to but not exceeding \$950,000, to pay for all attorneys' fees, costs, and expenses awarded to Plaintiffs' Class Counsel by the Court. Class Members will not have to pay anything to Plaintiffs' Class Counsel.

V. RELEASE OF CLAIMS

All Class Members who do not exclude themselves from the Settlement under the procedures described below will be entitled to the benefits described above and will not be allowed to sue Citibank alleging that Citibank discriminated against them based on their race in the handling or disposition of any first mortgage loan request made to Citibank at any time from the beginning of time up to and including the date of final judgment approving the Settlement.

VI. HOW TO OBTAIN FINANCIAL BENEFITS FROM OR OPT-OUT OF THE SETTLEMENT

How to Obtain Financial Benefits Under the Settlement. You must submit, postmarked by no later than March 16, 1998, the Proof of Claim provided at the end of this Notice if you wish to qualify for the benefits described in Section IV.

You May Request Exclusion From The Financial Benefits Portion of the Settlement. If you do not want to receive the benefits described in Section IV and you do not want to provide the release described in Section V, you must request to be excluded (that is, to "opt out"), from the Settlement. **IF YOU WISH TO OPT OUT OF THE FINANCIAL BENEFITS PORTION OF THE SETTLEMENT, YOU MUST MAIL A NOTICE OF EXCLUSION TO: MICHAEL W. DOBBINS, CLERK OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, P.O. BOX 6642, CHICAGO, ILLINOIS, 60680-6642. THE EXCLUSION REQUEST MUST BE RECEIVED BY THE CLERK POSTMARKED BY NO LATER THAN MARCH 16, 1998. PLEASE WRITE THE WORDS "CLASS EXCLUSION NOTICE" ON THE LOWER LEFT CORNER OF THE FRONT OF THE ENVELOPE IN WHICH YOU REQUEST EXCLUSION.** If you choose to exclude yourself from the Financial Benefits Portion of the Settlement, any individual claims that you might have against Citibank for money damages will not be affected by this Settlement. However, if you exclude yourself, you will not be able to share in the Settlement. You will remain free to pursue any individual claims for money damages that you may have against Citibank.

The proposed Settlement provides the option for Citibank to withdraw from the Settlement if the number of Class Members specified in a separate letter agreement dated December 3, 1997 between Class Counsel and Citibank's counsel exclude themselves from the Class. If Citibank elects to withdraw, none of the benefits provided by the Settlement will be distributed and the litigation will continue.

VII. HEARING

The Court will hold a hearing in Courtroom 2319 of the United States District Court for the Northern District of Illinois, Federal Building, 219 South Dearborn Street, Chicago, Illinois 60604, on April 20, 1998, at 1:00 p.m., to determine whether the proposed Settlement should be approved as fair, adequate and reasonable and to determine the amount of attorneys' fees and litigation costs and expenses that should be awarded to Plaintiffs' Class Counsel. The hearing may be continued without further notice. It is not necessary for you to appear at the hearing.

Any Member of the Class who has not elected to be excluded from the Class may object to approval of the proposed Settlement or to Plaintiffs' Class Counsel's application for attorneys' fees and reimbursement of litigation costs and expenses, and may appear at the hearing, individually or through the Class Member's own counsel, but only if such Class Member has submitted a written objection and notice of intention to appear. Any such objections must be

filed with Michael W. Dobbins, Clerk of the United States District Court for the Northern District of Illinois, P.O. Box 6642, Chicago, Illinois 60680-6642, by no later than March 16, 1998. Any objections shall state each specific reason, if any, in support of the objection, and any legal authority for such objection shall be cited. Such objections shall be accompanied by supporting papers and briefs and evidence of membership in the Class, in the form of a photocopy of your loan application or loan declination letter. It is important to note that the Settlement can only be approved or rejected as written; the Court cannot modify the terms of this Settlement to respond to particular objections.

The above is only a summary of the basic terms of the proposed Settlement. The precise terms and conditions of the Settlement are contained in the Settlement Agreement on file with the Clerk of the United States District Court for the Northern District of Illinois.

VIII. PROOF OF CLAIM

If you wish to participate in the Financial Benefits provided by the Settlement and receive the notifications described in Section IV, you must fill out the attached Proof of Claim and submit it to the address listed thereon so that it is postmarked by no later than March 16, 1998.

IX. ADDITIONAL INFORMATION

The pleadings and other records in this litigation, including copies of the Settlement Agreement and Plaintiffs' Class Counsel's application for attorneys' fees and reimbursement of litigation costs and expenses, may be examined at any time during regular office hours at the Office of the Clerk of the United States District Court for the Northern District of Illinois, Federal Building, 219 South Dearborn Street, Chicago, Illinois 60604. If you need additional information, you should write to Counsel for the Class:

Judson H. Miner
Miner, Barnhill & Galland
14 West Erie Street
Chicago, IL 60610

Fay Clayton
John Wickert
Robinson, Curley & Clayton, P.C.
300 South Wacker Drive
Suite 1700
Chicago, IL 60610

**PLEASE DO NOT TELEPHONE THE JUDGE OR THE CLERK OF THE COURT.
THEY ARE NOT ALLOWED TO ANSWER YOUR QUESTIONS.**

BY ORDER OF THE COURT.

Dated: February 14, 1998

CLERK OF THE U.S. DISTRICT COURT
FOR THE NORTHERN DISTRICT OF
ILLINOIS

Federal Building
219 South Dearborn Street
Chicago, Illinois 60604

PROOF OF CLAIM

To: MICHAEL W. DOBBINS
CLERK OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN
DISTRICT OF ILLINOIS
P. O. BOX 6642
CHICAGO, IL 60680-6642

From: Name and Address:

Dear Class Member:

Citibank's records indicate that you applied for a first mortgage home purchase or refinance loan on property located in Cook, Lake, DuPage or McHenry County and the loan was denied by Citibank at some time between July 6, 1992 and December 31, 1995. With this Proof of Claim you have received a "Notice of Pendency of Class Action, Proposed Class Settlement and Hearings." The records of Citibank indicate that you belong to Class A and Class ____ (Either B or C) as defined in the Notice.

In order to obtain financial benefits under the Settlement, you must submit this form to the above address so that it is postmarked by no later than March 16, 1998. Also, supply the information requested below.

1. At the time I applied at Citibank for the mortgage loan that was turned down my co-applicants (if any) on the mortgage were:

(Name of first co-applicant)

(Name of second co-applicant)

2. My Social Security Number is: _____
My First Co-Applicant's Security Number is: _____
My Second Co-Applicant's Security Number is: _____

[CLASS COUNSELS' LETTERHEAD]

TO: SETTLEMENT CLASS MEMBERS

I am attaching a Notice of a Settlement with Citibank Federal Savings Bank. Please read this Notice carefully, as it may affect your rights.

Please contact me at the above number should you have any questions about this Notice.

Sincerely yours,

(Class Counsel)

3. I currently have a home mortgage and the current rate of interest on that mortgage is

_____.

I wish to be included in this settlement.

Signature

IN ORDER TO QUALIFY TO OBTAIN FINANCIAL BENEFITS UNDER THE SETTLEMENT, YOU MUST SUBMIT THIS FORM TO THE ABOVE ADDRESS SO THAT IT IS POSTMARKED BY NO LATER THAN MARCH 16, 1998.