

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION

1. Why did I receive this notice package?
2. What is this lawsuit about?
3. Why is this a class action?
4. Why is there a settlement?

WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the settlement?
6. What are the exceptions to being included?
7. I'm still not sure if I'm included.

THE SETTLEMENT BENEFITS - WHAT YOU GET

8. What does the settlement provide?
9. How much will my payment be?

HOW YOU GET A PAYMENT

10. How can I obtain a payment?
11. When will I receive my payment?
12. What am I giving up to receive a payment?
13. If I stay in the Settlement Class may I still recover additional amounts from other sources?

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in the case?
15. How will the lawyers be paid?

EXCLUDING YOURSELF FROM THE SETTLEMENT

16. How do I exclude myself from the Settlement?
17. If I do not exclude myself from the Settlement, can I sue the Released Parties for the same thing later?
18. If I exclude myself, can I get money from this Settlement?

OBJECTING TO THE SETTLEMENT

19. How do I tell the Court that I do not like the Settlement?
20. What is the difference between objecting and requesting exclusion?

THE COURT'S SETTLEMENT HEARING

21. When and where will the Court decide whether to approve the Settlement?
22. Do I have to come to the Hearing?
23. May I speak at the Hearing?

IF YOU DO NOTHING

24. What happens if I do nothing at all?

GETTING MORE INFORMATION

25. Are there more details about the settlement?

THE PLAN OF ALLOCATION

BASIC INFORMATION

1. Why Did I Receive This Notice?

You or someone in your family may have purchased or acquired shares or may currently be, or have been at any point in time, legal and/or beneficial owners or custodians of record of shares in the Lancelot Investors Fund, Ltd. (the “Lancelot Fund”).

This Notice was sent because you have a right to know about a proposed settlement of a class action lawsuit concerning the Lancelot Fund, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will recommend that payments be made to those Settlement Class Members who are Current Legal Owners of Lancelot Fund shares, as defined below, based on a calculation by Duff & Phelps, consultant to the Lancelot Fund’s Official Liquidator, as discussed in more detail in the Plan of Allocation below.

This Notice explains the Action, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the Circuit Court of Cook County, Illinois County Department, Chancery Division, and the case is known as *Tradex Global Master Fund SPC Ltd. et ano. v. Lancelot Investment Management, LLC, et al.*, 10-CH-13264.

The Defendants that are party to this Settlement are (i) McGladrey & Pullen, LLP (n/k/a RSM US LLP), McGladrey & Pullen, Cayman (f/k/a Altschuler, Melvoin and Glasser (Cayman)), and Simon Lesser; and (ii) Altschuler, Melvoin and Glasser LLP (“Altschuler”) (collectively, the “Auditor Defendants”). All claims against the Auditor Defendants will be released if the Settlement is approved.

The Settling Parties are the Plaintiffs and the Auditor Defendants.

2. What Is This Lawsuit About?

This lawsuit involves an alleged Ponzi scheme perpetrated by Thomas J. Petters, and alleges that the Auditor Defendants issued audit opinions regarding the Lancelot Fund that were materially false and misleading. The Auditor Defendants deny the allegations.

3. Why Is This a Class Action?

In a class action, one or more people or entities called class representatives (in this case Plaintiffs) sue on behalf of people who have similar claims. Here, all these people are called a class or class members, and those included in this Settlement are called a Settlement Class or Settlement Class Members. One court resolves the issues for all class members, except for those who timely and validly exclude themselves from the class. The Honorable David B. Atkins is in charge of this class action.

4. Why Is There a Settlement?

The Court did not decide in favor of Plaintiffs or the Auditor Defendants. Instead, the Settling Parties agreed to a settlement. This permits them to avoid the cost and uncertainty of a trial, and permits Settlement Class Members who are Current Legal Owners to receive compensation. Plaintiffs and Plaintiffs' Counsel believe the Settlement is in the best interests of all Settlement Class Members. The Auditor Defendants have concluded that further defense of the Action would be protracted and expensive, and also have taken into account the uncertainty, risks, and distractions inherent in any litigation, especially in a complex case such as the Action.

WHO IS IN THE SETTLEMENT

To see if you will receive money from this Settlement, you first have to determine if you are a Settlement Class Member who is a Current Legal Owner. Whether you are a Current Legal Owner depends in part on whether you are determined to have suffered a Net Loss of principal associated with any shares in the Lancelot Fund that you own (discussed in more detail in the Plan of Allocation below).

5. How Do I Know If I Am Part of the Settlement

For purposes of the Settlement, the Court has provisionally approved the following definition of the Settlement Class: All Persons who purchased or who are currently, or were at any point in time, legal and/or beneficial owners or custodians of record of shares in the Lancelot Fund, including their assignees and transferees, but excluding certain Persons as set forth in ¶ 6 below.

However, only Settlement Class Members who are "Current Legal Owners" will receive a payment from the Settlement. "Current Legal Owners" means all Settlement Class Members who, as identified by Duff & Phelps (consultant to the Official Liquidator of the Lancelot Fund): (i) are legal owners of record of shares in the Lancelot Fund as of the date the Court enters an Order finally approving the Settlement; and (ii) suffered a Net Loss of principal in the Lancelot Fund with respect to those shares, as defined in the Plan of Allocation below.

6. What Are the Exceptions to Being Included?

The Settlement Class excludes (i) Persons who previously opted out of the Settlement Class by filing or settling their own claims against one or more of the Auditor Defendants ("Prior Opt-Outs"); (ii) persons who request exclusion from the Settlement Class pursuant to the Settlement ("Opt-Outs"); and (iii) Defendants and their past or present shareholders, officers, directors, and employees. Persons excluded from the Settlement Class are not Settlement Class Members and therefore do not qualify to be Current Legal Owners.

7. I'm Still Not Sure If I Am Included.

If you are still not sure whether you are included, you can request additional information

from the persons identified in the answer to Question 25 below.

THE SETTLEMENT BENEFITS - WHAT YOU GET

8. What Does the Settlement Provide?

The Auditor Defendants have agreed to pay \$27,500,000 in cash into the Settlement Fund. The Settlement Fund, after payment of Court-approved attorneys' fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice (the "Net Settlement Fund"), will be divided among all Current Legal Owners pursuant to the Plan of Allocation described below.

9. How Much Will My Payment Be?

You will receive a payment only if you are a Current Legal Owner. In that case, your share of the Net Settlement Fund will depend on the size of your Net Loss of principal in the Lancelot Fund compared to the aggregate Net Loss of principal of all Current Legal Owners. The Net Loss is not the amount of the payment that you can expect, but is used to determine how the Net Settlement Fund will be allocated among all Current Legal Owners.

HOW YOU OBTAIN A PAYMENT

10. How Will I Obtain a Payment?

You must sign the Acknowledgment sent to you by the Claims Administrator and return it to the Claims Administrator prior to receiving any payment.

11. When Will I Receive My Payment?

The Court will hold a hearing on August 3, 2018, at 11:00 a.m., to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain how these appeals will be resolved, and resolving them can take time, perhaps more than a year. After any approval by the Court, and assuming that any appeals are decided favorably, it may take several months for the Claims Administrator to pay the ultimate distribution amounts.

12. What Am I Giving Up to Receive a Payment?

Unless you timely exclude yourself from the Settlement Class by the June 22, 2018 deadline, you are a member of the Settlement Class and will be bound by the release of claims against the Auditor Defendants and the Released Parties. That means that you cannot sue, continue to sue, or be part of any other lawsuit against the Auditor Defendants or the Released Parties about the Released Claims. The specific terms of the release are included in the Stipulation.

13. If I stay in the Settlement Class, May I Still Recover Additional Amounts from Other Sources?

Yes. If you participate in this class Settlement, then you will not be required to give up any claims you may have against any individuals or entities other than the Released Parties. Investors in the Lancelot Fund may also receive additional distributions from the liquidation or bankruptcy proceedings overseen by the respective liquidator and Trustee of the Lancelot Fund.

THE LAWYERS REPRESENTING YOU

14. Do I Have a Lawyer in This Case?

The law firms of McLaughlin & Stern, LLP and Cohen Milstein Sellers & Toll PLLC brought the Action on behalf of Plaintiffs and they represent you and all other Settlement Class Members. These lawyers are called Plaintiffs' Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How Will the Lawyers Be Paid?

Plaintiffs' Counsel will ask the Court for attorneys' fees up to 33.33% of the \$27,500,000 paid into the Settlement Fund, and for expenses incurred by Plaintiffs' Counsel in connection with the litigation, not to exceed \$350,000.00. Such sums as may be approved by the Court will be paid from the Settlement Fund.

The attorneys' fees and expenses requested represent payment to Plaintiffs' Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. Since the case began in 2009, Plaintiffs' Counsel has undertaken extensive work necessary to prepare the case for trial. Plaintiffs' Counsel has conducted all of the investigation, drafted the Amended Complaint, reviewed over one million pages of documents, taken and defended multiple depositions, employed experts, performed an enormous amount of legal research, and filed many legal briefs on novel and complex issues, including opposing dismissal of the claims, supporting class certification, and arguing discovery issues.

Plaintiffs' Counsel shall file a motion with the Court for approval of the Settlement, the Plan of Allocation, and the request for attorneys' fees and reimbursement of expenses by June 29, 2018. Copies of that motion will be posted on the Claim Administrator's website. The Auditor Defendants take no position with respect to the request for attorneys' fees and reimbursement of expenses. The Court determines the amount counsel should receive from the Settlement Fund for fees and expenses separately from its determination of whether the Settlement is fair, reasonable, and adequate, and may award less than the amount Plaintiffs' Counsel has requested.

Plaintiffs will also ask the Court for an incentive award to be paid from the Settlement Fund not to exceed \$50,000.00. Since 2009, Plaintiffs have devoted an extensive amount of time and effort to the Action, including having one of their principals appear for a deposition, reviewing pleadings and other documents, producing documents in response to discovery requests, and communicating with Plaintiffs' Counsel.

EXCLUDING YOURSELF FROM THE SETTLEMENT

16 How Do I Exclude Myself From the Settlement?

If you want to retain the right to sue or to continue to sue the Released Parties on your own about the claims being released in this Settlement, then you must take steps to exclude yourself from the Settlement. This is referred to as opting out of the Settlement Class, and persons who do so are referred to as “Opt-Outs”.

Excluding yourself is not the same as doing nothing in response to this Notice.

Each member of the Settlement Class shall be bound by all determinations and judgments in the Action concerning the Settlement, whether favorable or unfavorable, unless such a Person delivers to the Claims Administrator a written request for exclusion from the Settlement Class, so that it is received by the Claims Administrator no later than June 22, 2018 addressed to:

Duff & Phelps LLC
Attn: Jenna O’Brien
55 East 52nd Street, Floor 31
New York, New York 10055

No Person may exclude himself, herself, or itself from the Settlement Class after June 22, 2018. In order to be valid, each request for exclusion by a Person seeking to opt-out (a) must state (i) the name, address, e-mail address, and telephone number of the Person seeking exclusion; (ii) that the sender “requests exclusion from the Settlement Class in *Tradex Global Master Fund SPC Ltd. et ano. v. Lancelot Investment Management, LLC, et al.*, 10-CH-13264”; (iii) the date(s), number, and dollar amount of shares of the Lancelot Fund purchased, and of any redemption or transfer transactions; and (iv) the number of shares currently held by that Person in the Lancelot Fund; and (b) must be submitted with documentary proof of all transactions in Lancelot Fund shares, including whether any such shares have been assigned or transferred to such Person. Any such request for exclusion (“Request for Exclusion”) must be signed by the Person requesting exclusion.

Requests for exclusion shall not be effective unless the request includes the required information and documentation and is made within the time period stated above, or the exclusion is otherwise accepted by the Court.

If you ask to be excluded, you will not receive any payment from this Settlement, and you cannot object to the Settlement. You will not be legally bound by anything that happens in the Action with respect to Released Claims and may be able to sue (or continue to sue) the Released Parties in the future.

Any Opt-Out shall not be deemed to have submitted to the jurisdiction of any Court in the United States for any matter on account of submission of a Request for Exclusion.

All information submitted by any Person in a Request for Exclusion (except where such

person has commenced or otherwise is prosecuting or pursuing a claim against a Released Party), or by any Settlement Class Member in a proof of claim, shall be treated as confidential protected information and may not be disclosed by the Claims Administrator, its affiliates, or the Settling Parties to any third party absent a further order of this Court upon a showing of necessity, and any such information that is submitted to the Court shall be filed under seal.

If the aggregate Net Asset Value of Opt-Outs exceeds the threshold specified in a separate “Supplemental Agreement” between the Settling Parties, then the Auditor Defendants shall have, in their sole and absolute discretion, the option to terminate this Settlement and to render it null and void in accordance with the procedures set forth in the Supplemental Agreement.

17. If I Do Not Exclude Myself From the Class, Can I Sue the Released Parties For the Same Thing Later?

No. Unless you exclude yourself from the Class by filing a timely and valid Request for Exclusion as detailed above, you give up any rights to bring a lawsuit or claim in any forum asserting any of the Released Claims against the Released Parties. If you have a pending lawsuit or claim in any forum that you believe concerns the Released Claims or the same matters alleged in this Action, speak to your lawyer immediately.

You will likely have to exclude yourself from the Settlement Class if you wish to continue your own lawsuit or claim. Remember, the exclusion deadline is June 22, 2018.

18. If I Exclude Myself, Can I Get Money From This Settlement?

No. You will, however, retain any right you may have to bring a lawsuit, to continue to pursue an existing lawsuit, or to be part of a different lawsuit asserting a Released Claim against a Released Party.

OBJECTING TO THE SETTLEMENT

19. How Do I Tell the Court that I Do Not Like the Settlement or the Request for Attorneys’ Fees and Reimbursement of Expenses?

If you are a Settlement Class Member, you can object to the Settlement if you do not like any part of it, including the Plan of Allocation or the request for attorneys’ fees or expenses. You can state the reasons why you think the Court should not approve it, and the Court will consider your views. To object, you must submit a letter saying that you object to the Settlement in *Tradex Global Master Fund SPC Ltd. et ano. v. Lancelot Investment Management, LLC, et al.*, 10-CH-13264. Be sure to include your name, address, telephone number, your signature, the dates and number and dollar amounts of shares purchased, and redeemed, if applicable, and to supply documentary proof of the purchase or any redemption transactions and of your membership in the Settlement Class, and the reasons you object. Any objection letter must be delivered such that it is received by *each* of the following no later than July 10, 2018.

Clerk of the Court
Circuit Court of Cook County, Illinois County Department,
Chancery Division
Richard J. Daley Center
50 Washington Street
Chicago, Illinois 60602

The Court

Steven J. Toll
Andrew N. Friedman
Laura H. Posner
Adam H. Farra
COHEN MILSTEIN SELLERS
& TOLL PLLC
1100 New York Avenue, N.W. / Fifth Floor
Washington, D.C. 20005

Lee S. Shalov
Wade C. Wilkinson
Jason S. Giaimo
MCLAUGHLIN & STERN LLP
260 Madison Avenue
New York, New York 10016

Attorneys for Plaintiffs

Joseph M. Terry
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Jessica L. Pahl
WILLIAMS & CONNOLLY LLP
725 Twelfth Street, N.W.
Washington, D.C. 20005

Attorneys for the McGladrey Defendants

Hille Sheppard
J. Simone Jones
SIDLEY AUSTIN LLP
One South Dearborn Street
Chicago, IL 60603

Attorneys for Altschuler

20. What is the Difference between Objecting and Requesting Exclusion?

Objecting is simply telling the Court that you do not like something about the proposed Settlement. Objecting does not prevent you from participating and recovering money in the Settlement. However, you can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

THE COURT'S SETTLEMENT HEARING

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

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

The Court will hold a Settlement Hearing at 11:00, on August 3, 2018 at the Circuit Court of Cook County, Illinois County Department, Chancery Division, Richard J. Daly Center, Room 2102, 50 West Washington Street, Chicago, Illinois 60602. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also consider the application by Plaintiffs' Counsel for fees and expenses and whether the Plan of Allocation is fair, reasonable, and adequate. The Court may decide these issues at the hearing or take them under consideration for a later decision.

22. Do I Have to Come to the Hearing?

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

23. May I Speak at the Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must submit a letter saying that it is your intention to appear in *Tradex Global Master Fund SPC Ltd. et ano. v. Lancelot Investment Management, LLC, et al.*, 10-CH-13264. Be sure to include your name, address, telephone number, your signature, the number and dollar amount of shares purchased, and redeemed if applicable, to supply documentary proof of the purchase and any redemption transactions and of your membership in the Settlement Class, and the reasons you want to speak at the hearing. Your notice of intention to appear must be received no later than July 10, 2018 by the Clerk of the Court, Plaintiffs' Counsel, and the Auditor Defendants' Counsel at the five addresses listed in Question 19.

IF YOU DO NOTHING

24. What Happens If I Do Nothing at All?

If you do nothing, all of your claims against the Released Parties will be released, but you will receive money from this Settlement (assuming you are a Current Legal Owner and complete and return the Acknowledgment to the Claims Administrator).

GETTING MORE INFORMATION

25. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated April 12, 2018. You can obtain a copy of the Stipulation of Settlement or more information about the Settlement by contacting the Claims Administrator at Duff & Phelps LLC

(Attn: Jenna O'Brien), 55 East 52nd Street, Floor 31, New York, New York 10055 or Plaintiffs' Counsel at the above address. You can also obtain a copy from the Clerk's office during regular business hours.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE