

**CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION**

TRADEX GLOBAL MASTER FUND SPC LTD., THE
ABL SEGREGATED PORTFOLIO 3, and TRADEX
GLOBAL MASTER FUND SPC LTD., THE ORIGINAL
SEGREGATED PORTFOLIO 3, on behalf of themselves
and all others similarly situated,

Plaintiffs,

- against -

LANCELOT INVESTMENT MANAGEMENT, L.L.C.,
GREGORY BELL, McGLADREY & PULLEN, LLP,
McGLADREY & PULLEN, CAYMAN,
ALTSCHULER, MELVOIN & GLASSER, CAYMAN,
ALTSCHULER, MELVOIN & GLASSER, LLP, AND
SIMON LESSER,

Defendants.

10 – CH – 13264

Judge David B. Atkins

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

Your legal rights may be affected – Please read this Notice carefully

To: 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 Lancelot Investors Fund, Ltd. (the “Lancelot Fund”), including their assignees and transferees

If you meet the definition of a Settlement Class Member, you could get a payment from a class action settlement.

This is a court-authorized notice. This is not a solicitation from a lawyer.

The purpose of this Notice is to inform you of: (a) a proposed settlement of this action (the “Action”) as against: (i) McGladrey & Pullen, LLP (n/k/a RSM US LLP), McGladrey & Pullen, Cayman (f/k/a Altschuler, Melvoin and Glasser (Cayman)), and Simon Lesser (the “McGladrey Defendants”); and (ii) Altschuler, Melvoin and Glasser LLP (“Altschuler”) (collectively, the “Auditor Defendants”) for a cash payment of \$27,500,000 (the “Settlement Amount”); and (b) the scheduling of a settlement fairness hearing with respect to the proposed settlement and the motion of Plaintiffs’ and Plaintiffs’ Counsel (collectively, “Plaintiffs”) for an award of attorneys’ fees, expenses and an incentive award. Documents related to the proposed settlement, including the

Stipulation of Settlement (“Stipulation”), are available from the Claims Administrator, Duff & Phelps LLC (the “Claims Administrator”).

The “Settlement Class” includes 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 (each a “Settlement Class Member”), but excluding (i) all persons who previously opted out of the Settlement Class by filing or settling their own claims against one or more of the Auditor Defendants; (ii) any Persons who otherwise would be Settlement Class Members but who have timely and validly requested exclusion from this Settlement Class; and (iii) any of the defendants named in the above-captioned action, as well as their past or present shareholders, officers, directors, and employees.

This Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Settlement Class.

Deadlines

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS	Deadline: June 22, 2018. Receive no payment from the Settlement. If the Court approves the Settlement, this is the only option that allows you ever to participate in any other lawsuit against the Auditor Defendants and other Released Parties (defined below) that involved the Released Claims (defined below).
OBJECT	Deadline: July 10, 2018. You may write the Court if you do not like this Settlement or the request for an award of attorneys’ fees and reimbursement of expenses. You may not object if you have excluded yourself from the Settlement Class.
GO TO THE SETTLEMENT HEARING	Settlement Hearing Date: August 3, 2018. Whether or not you object to the Settlement, you may ask to speak in Court about the fairness of the Settlement. The deadline to ask to speak to the Court about the Settlement is July 10, 2018.
PARTICIPATE IN THE SETTLEMENT	If you are a Current Legal Owner (as defined below), you will receive a <i>pro rata</i> share of the Net Settlement Fund (as defined below) by completing and returning an acknowledgment form sent to you by the Claims Administrator (as described below). If you are a Current Legal Owner, but do not

	return the acknowledgment form, you will not receive any payment, but will still be deemed to have released the Released Claims (defined below) against the Auditor Defendants and other Released Parties (defined below).
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These rights and options—and the deadlines to exercise them—are explained in this Notice.

The Court presiding over this case must decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement, and if there are any appeals, after appeals are resolved. Please be patient.

Your legal rights are affected whether you act or do not act. Please read this Notice carefully.

SUMMARY OF NOTICE

Background of the Action and Summary of the Proposed Settlement

- On June 9, 2009, Plaintiffs filed a proposed class action in the United States District Court for the Northern District of Illinois, entitled *Tradex Global Master Fund SPC Ltd., et al. v. Lancelot Investment Management, LLC., et al.*, Civ. No. 09-3499 (the “Federal Court Action”). The Federal Court Action was brought on behalf of Plaintiffs and other persons and entities who purchased shares in the Lancelot Fund. On March 10, 2010, Plaintiffs voluntarily dismissed the Federal Court Action based on the district court’s purported lack of subject matter jurisdiction pursuant to the Class Action Fairness Act of 2005 (28 U.S.C. § 1332(d)).
- On March 30, 2010, Plaintiffs filed an action in the Circuit Court of Cook County, Illinois County Department, Chancery Division (the “Court”) on behalf of themselves and others similarly situated entitled *Tradex Global Master Fund SPC LTD., et al. v. Lancelot Investment Management, LLC, et al.*, Docket No. 2010 CH 13264 (the “Action”). Named as Defendants in the Action were: (i) Lancelot Investment Management, LLC and Gregory Bell (the “Lancelot Defendants”); (ii) Swiss Financial Services Bahamas, Ltd. and Swiss Financial Services, Inc. (collectively, the “Swiss Financial Defendants”); and the (iii) Auditor Defendants.
- On October 20, 2008, the Lancelot Fund filed a petition for bankruptcy with the United States Bankruptcy Court for the Northern District of Illinois (the “Bankruptcy Court”) entitled *In re Lancelot Investors Fund, Ltd.*, Case No. 08-28227 (Bankr. N.D. Ill.) (jointly administered with *In re Lancelot Investors Fund, L.P.*, Case No. 08-28225 (Bankr. N.D. Ill.)) (the “Lancelot Bankruptcy Proceeding”). Thereafter, the United States Trustee appointed a trustee for the Lancelot Bankruptcy Proceeding (the “Trustee”) and, on December 7, 2009, the Trustee filed an adversary action against certain of the Auditor Defendants that was later removed to federal court and ultimately entitled *Peterson v. McGladrey & Pullen LLP et al.*, Case No. 10-c-00274 (N.D. Ill.) (the “Trustee Adversary Action”).

- On May 27, 2010, in a related matter pending before the Bankruptcy Court entitled *Peterson et al. v. Ellerbrock Family Trust, LLC, et al.*, Adversary No. 09-413, the Trustee filed a motion for a preliminary injunction seeking to stay Plaintiffs from continuing the Action until the Trustee Adversary Action was closed (the “Stay Proceedings”). On June 14, 2010, the Court issued an order staying prosecution of the Action pending the Bankruptcy Court’s ruling on the Trustee’s motion in the Stay Proceedings. On August 24, 2010, the Bankruptcy Court entered an order enjoining Plaintiffs from prosecuting the Action until the bankruptcy case was closed (the “Bankruptcy Stay Order”) and, on September 7, 2010, the Court stayed the Action pursuant to the Bankruptcy Stay Order.
- On July 12, 2013, Plaintiffs and the Swiss Financial Defendants entered into a Stipulation of Partial Settlement that released all claims against the Swiss Financial Defendants in consideration for the payment of \$350,000.00 (the “Swiss Financial Settlement”). By Order dated June 3, 2014, the Bankruptcy Court modified the Bankruptcy Stay Order to allow Plaintiffs to facilitate the Swiss Financial Settlement. After a hearing on October 10, 2014, the Court entered an Order and Final Judgment approving the Swiss Financial Settlement and dismissing Plaintiffs’ claims against the Swiss Financial Defendants.
- On July 7, 2015, the United States Court of Appeals for the Seventh Circuit affirmed a lower court decision dismissing the Trustee Adversary Action based on the affirmative defense of *in pari delicto*. As a result of that ruling, the Bankruptcy Court lifted the stay imposed pursuant to the Bankruptcy Stay Order and, by Order dated January 12, 2016, the Court: (i) lifted its stay of the Action; (ii) directed Plaintiffs to file an Amended Complaint; and (iii) stayed discovery in the Action.
- On February 12, 2016, Plaintiffs filed their Amended Complaint against the Lancelot Defendants and the Auditor Defendants. On March 4, 2016, the Auditor Defendants filed motions to dismiss the Amended Complaint. After a hearing, the Court denied the motions to dismiss pursuant to a Memorandum Opinion and Order dated January 10, 2017 (the “Opinion”). On May 26, 2017, the McGladrey Defendants filed a Rule 308(a) Application for Interlocutory Appeal of the Opinion (the “Application”). By Order dated August 23, 2017, the Appellate Court of Illinois, First Judicial District (the “Illinois Appellate Court”), denied the Application.
- By Order dated April 28, 2017, the Court permitted merits and class discovery in the Action to proceed. Thereafter, Plaintiffs’ Counsel reviewed more than one million pages of documents produced by the Trustee, the Swiss Financial Defendants, the Auditor Defendants and others. In addition, depositions were conducted of certain party and non-party witnesses, including current or former employees of Plaintiffs, the Swiss Financial Defendants, and the Auditor Defendants, as well as certain members of the putative class. Plaintiffs also responded to interrogatories and requests for the production of documents and produced documents to the Auditor Defendants.
- On December 7, 2017, and February 27, 2018, Plaintiffs’ Counsel and the Auditor Defendants’ Counsel participated in all-day mediation sessions before the Honorable Daniel Weinstein (Ret.). At the close of the second session, Judge Weinstein made a mediator’s proposal that was accepted by the Settling Parties (as defined below).

- Thereafter, Plaintiffs and the Auditor Defendants entered into the Stipulation for the release of all claims that were asserted or could have been asserted in the Action, individually and on behalf of the Settlement Class, against the Auditor Defendants and other affiliated Released Parties. Under the terms of the proposed Settlement, the Auditor Defendants would pay \$27,500,000 (twenty-seven million, five-hundred thousand U.S. dollars) into a fund that, together with any interest earned on that amount during the administration of the Plan of Allocation (as defined below), is referred to as the “Settlement Fund.” These funds (less Court-approved attorneys’ fees, reimbursement of expenses and Plaintiffs’ incentive award) shall be paid to Current Legal Owners (as defined below) pursuant to the Plan of Allocation.

Statement of Settlement Class Members’ Recovery

The total Settlement Amount is \$27,500,000, plus any interest that accrues from that amount after it is placed in an escrow account. The Lancelot Fund Trustee has calculated the aggregate net loss incurred by shareholders of the Lancelot Fund to be approximately \$710,994,813.56. Included in that amount are \$149,517,751.68 in aggregate net losses incurred by certain entities that previously opted-out of the Action and, as a result, will not receive any proceeds under the Settlement.

Membership in the Settlement Class

The Settlement Class consists of 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. However, only Current Legal Owners (as defined below) of Lancelot Fund shares will be entitled to receive his, her, or its *pro rata* share of the Net Settlement Fund (as defined below). “Current Legal Owner” means a Settlement Class Member who, as identified by Duff & Phelps (consultant to the Official Liquidator of the Lancelot Fund): (i) is a legal owner 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 (defined in the Plan of Allocation below) with respect to those shares.

Statement of Potential Outcome of Settled Claims

The Settlement must be compared to the risk of no recovery on the relevant claims after contested dispositive motions, trial, and likely appeals. The claims being settled involve numerous complex legal and factual issues, many of which would require expert testimony.

Among the many key issues about which Plaintiffs and the Auditor Defendants do not agree are: (1) whether any of the Auditor Defendants violated state law or otherwise engaged in any wrongdoing; (ii) whether any of the Auditor Defendants acted negligently, recklessly, or fraudulently; (3) whether the Auditor Defendants’ audits of the Lancelot Fund’s financial statements complied with Generally Accepted Auditing Standards, or were otherwise conducted with reasonable care; (4) whether Plaintiffs’ or the Settlement Class Members’ losses were caused by the Auditor Defendants’ alleged misconduct or omissions; (5) whether the Auditor Defendants owed a duty to investors in the Lancelot Fund to exercise reasonable care; (6) whether Plaintiffs

or the other Settlement Class Members have standing to pursue their claims; (7) whether a litigation class can be certified (as opposed to a settlement class); (8) whether certain of Plaintiffs' claims are barred by the statute of limitations; (9) the method for determining whether, and the extent to which, Plaintiffs or Settlement Class Members suffered injury and damages that could be recovered at trial; and (10) whether the Auditor Defendants should be responsible only for a proportionate share of Plaintiffs' or the Settlement Class Members' losses, thereby absolving the Auditor Defendants of some or all liability.

Many of these issues, if found against Plaintiffs, would leave Plaintiffs and the Settlement Class with no recovery. In addition, even if Plaintiffs were to obtain a judgment against the Auditor Defendants that is affirmed on appeal, complex legal and factual issues may be presented by Plaintiffs' efforts to collect such a judgment from the Auditor Defendants.

Reasons for Settlement

Plaintiffs entered into the proposed Settlement after over eight years of litigation, when they were fully familiar with the facts and circumstances of the Action. Plaintiffs' Counsel reviewed more than one million pages of documents produced by the Auditor Defendants, the Swiss Financial Defendants, the Trustee, and other parties. Plaintiffs' Counsel also conducted or defended depositions of current or former employees of Plaintiffs, the Swiss Financial Defendants, and the Auditor Defendants, as well as certain Settlement Class Members. Since 2009, Plaintiffs' Counsel also engaged in substantial motion practice before the Bankruptcy Court, the Court in the Action, and the Illinois Appellate Court.

Beginning in December 2017, the Settling Parties engaged in extensive, arm's-length settlement negotiations, including two all-day mediation sessions before the Honorable Daniel Weinstein (Ret.). At the second mediation session, Judge Weinstein made a mediator's proposal that was accepted by the Settling Parties.

Plaintiffs' Counsel, who have extensive experience in complex shareholder class-action litigation, believe that the Settlement provides the Settlement Class with significant and certain benefits now and eliminates the risk of no recovery following what would be years of further uncertain litigation, including disposition of a class certification motion, motions for summary judgment and, if summary judgment is not granted, a hotly-contested trial lasting many weeks, and almost-certain appeals on the claims against the Auditor Defendants, with the possibility of no recovery at all.

Plaintiffs and Plaintiffs' Counsel, in proposing that the Court approve the \$27,500,000 settlement as fair, reasonable, and adequate to the Settlement Class, have considered, among other factors, Plaintiffs' ability to prevail on the contested factual and legal issues summarized in the Statement of Potential Outcome of Settlement Claims above. There is a significant risk that Plaintiffs' claims could be dismissed or limited prior to or at trial, or on appeal from a jury verdict.

Plaintiffs will file with the Court on or before June 29, 2018, a formal motion for approval of the proposed Settlement further discussing the reasons justifying the Settlement.

The Auditor Defendants have denied and continue to deny each and all of the claims and contentions alleged in the Amended Complaint and believe that they have meritorious defenses to those claims and contentions. The Settlement shall in no event be construed as, or deemed to be evidence of, an admission or concession by any of the Auditor Defendants or Released Parties with respect to any claims or of any fault or liability or wrongdoing or damage to Plaintiffs, the Settlement Class Members, or any Person.

Statement of Attorneys' Fees and Expenses

Plaintiffs' Counsel will ask the Court to approve payment from the Settlement Fund of attorneys' fees not to exceed one-third (33.33%) of the Settlement Fund and for reimbursement of expenses that were advanced by Plaintiffs' Counsel in connection with the litigation not to exceed \$350,000.00. Plaintiffs will also ask the Court for an incentive fee award not to exceed \$50,000.00 for the time, effort, and expenses expended by them during the pendency of the Action. If the above amounts are requested and approved by the Court, based upon current information, fees and expenses are estimated at approximately 34.8% of the Settlement Fund.

Dismissal and Releases

If the proposed Settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice (the "Final Judgment"). The Final Judgment will dismiss with prejudice the claims asserted in the Action against the Auditor Defendants. The Final Judgment will also provide that all Settlement Class Members shall be deemed to have released and forever discharged all Released Claims against all Released Parties. The specific terms of the releases, including the meaning of the term "Released Claims," are set forth in the Stipulation.

Unless you exclude yourself from the Settlement Class, you will be releasing claims you may have against the Released Parties. However, you will not be required to give up any claims you may have against any other individuals or entities (that have not been released) relating to your losses in the Lancelot Fund.

Claims Administrator's Distribution of the Settlement Fund

Upon final approval of the Settlement and Plan of Allocation by the Court, the Escrow Agent will deposit the Net Settlement Fund into an account owned by Plaintiffs' Counsel and the Claims Administrator for purposes of distributing the Net Settlement Fund (the "Distribution Account"). Prior to any distributions from the Distribution Account, the Claims Administrator will send a notice to each identified Current Legal Owner for whom the Claims Administrator has an address seeking the following information: (i) an acknowledgement by the Current Legal Owner of his, her, or its ownership of Lancelot Fund shares; (ii) confirmation of the Current Legal Owner's shareholdings in the Lancelot Fund; and (iii) proper anti-money laundering documentation and wire details (the "Acknowledgement"). The Acknowledgement must be completed and signed by the Current Legal Owner and returned to the Claims Administrator before a distribution to that Current Legal Owner will be made.

The Claims Administrator shall keep the identity of all Current Legal Owners confidential.

The Claims Administrator shall maintain records of all receipts and disbursements made as Claims Administrator.

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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

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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

PLAN OF ALLOCATION OF NET SETTLEMENT FUND

The Net Settlement Fund shall be distributed to Current Legal Owners according to the terms below. The purpose of this Plan of Allocation of the Net Settlement Fund (“Plan of Allocation” or “Plan”) is to establish a reasonable and equitable method of distributing the Net Settlement Fund among Settlement Class Members based upon the amount of their Net Loss (if any) as calculated by Duff & Phelps. The Plan is not intended to replicate an assessment of damages that could have been recovered had Plaintiffs prevailed at trial.

Because the Net Settlement Fund is less than the total losses alleged to have been suffered by Settlement Class Members, the formulas described below for calculating Net Losses are not intended to estimate the amount that will actually be paid to Current Legal Owners. Rather, these formulas provide the basis on which the Net Settlement Fund will be distributed among those Settlement Class Members who are Current Legal Owners.

Approval of the Settlement is independent from approval of the Plan of Allocation. Any determination with respect to the Plan of Allocation will not affect the Settlement, if approved. The Plan of Allocation set forth herein is the plan that is being proposed by Plaintiffs and Plaintiffs’ Counsel to the Court for approval. The Auditor Defendants take no position with respect to the Plan of Allocation. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any orders regarding a modification of the Plan of Allocation will be posted on the settlement website, <https://www.duffandphelps.com/tradexsettlement>.

Payment pursuant to the Plan of Allocation approved by the Court shall be final and conclusive against all Settlement Class Members. Neither the Auditor Defendants, the Auditor Defendants’ Counsel, nor any other of the Released Parties shall have any responsibility for or involvement with respect to the investment or distribution of the Net Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of claims, the payment or withholding of taxes or tax expenses, or any losses incurred in connection therewith. No person shall have any claim of any kind against the Auditor Defendants or their counsel with respect to the administration of the settlement, including the Plan of Allocation. Neither Plaintiffs, Plaintiffs’ Counsel, the Claims Administrator, nor any of their respective employees and agents, shall be subject to or incur any liability to any person based on distribution determinations or claim rejections substantially in accordance with the Stipulation and Settlement contained therein, the Plan of Allocation, this Final Judgment or any other Order of the Court approving the distribution of the Net Settlement Fund, and all Persons shall be enjoined from taking any action in contravention of this provision. Upon rejection of a claim substantially in accordance with the Stipulation and Settlement contained therein, the Plan of Allocation, this Final Judgment or any other Order of the Court approving the distribution of the Net Settlement Fund or the receipt and acceptance by a Settlement Class Member of a distribution from the Net Settlement Fund, such Settlement Class Member will be deemed to have released all claims that such Settlement Class Member may have against Plaintiffs, Plaintiffs’ Counsel, or the Claims Administrator, including their respective employees and agents, in connection with the administration of the Net Settlement Fund, and shall be barred from

prosecuting or asserting any such claims.

Distributions will be made to Current Legal Owners after all claims have been processed and after the Court has finally approved the Settlement (including the resolution of any appeals) pursuant to the following terms:

a. “Net Loss” means the total cash investment made by a Settlement Class Member in the Lancelot Fund directly or indirectly through one or more assignors, transferors or intermediaries, less the total amount of any redemptions or withdrawals by that Settlement Class Member or its assignors, transferors or intermediaries, as calculated by Duff & Phelps, consultant to the Lancelot Fund’s Official Liquidator.

b. Please note that the term “Net Loss” is used solely for calculating the amount of participation by Current Legal Owners in the Net Settlement Fund. It is not the actual amount a Current Legal Owner can expect to recover.

c. The Claims Administrator will determine each Current Legal Owner’s share of the Net Settlement Fund. Each Current Legal Owner will receive a disbursement determined by multiplying the Net Settlement Fund by a fraction, the numerator of which is the Current Legal Owner’s Net Loss and the denominator of which is the sum total of all Current Legal Owners’ Net Losses with respect to Lancelot Fund.

d. If there is any balance remaining in the Net Settlement Fund (whether by reason of unclaimed funds, tax refunds, uncashed checks, or otherwise), at a date one-hundred eighty (180) calendar days from the later of (a) the date on which the Court enters an order directing the Net Settlement Fund to be distributed to Current Legal Owners, or (b) the date the Settlement is final and becomes fully effective, then Plaintiffs’ Counsel shall, upon approval of the Court, disburse such balance among the Current Legal Owners as many times as is necessary, in a manner consistent with this Plan of Allocation, until each Current Legal Owner has received its Net Loss (but no greater than its Net Loss) as defined in this Plan. If Plaintiffs’ Counsel determines that it is not cost-effective to conduct such further disbursement, or following such further disbursement any balance still remains in the Net Settlement Fund, Plaintiffs’ Counsel shall, upon approval of the Court, and without further notice to Settlement Class Members, cause the remaining balance to be donated to an “eligible organization,” as defined in 735 ILCS 5/2-807(a), as designated by Plaintiffs’ Counsel. Plaintiffs’ Counsel shall also consider the potential for additional distributions to be made from other settlements or judgments in proposing supplemental distributions from the Net Settlement Fund.

Dated: May 7, 2018