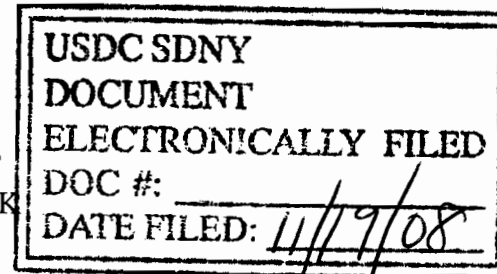


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



IN RE SALOMON ANALYST METROMEDIA
LITIGATION

Case No. 02-CV-7966
Judge Gerard E. Lynch

~~PROPOSED~~ ORDER PRELIMINARILY APPROVING SETTLEMENT
AND SCHEDULING FINAL SETTLEMENT HEARING

The Court has received the Stipulation of Settlement, dated as of November 14, 2008 (the "Stipulation"), that has been entered into by Lead Plaintiffs and Defendants. The Court has reviewed the Stipulation and its attached exhibits, and, good cause appearing,

IT IS HEREBY FOUND, CONCLUDED AND ORDERED as follows:

1. The Court, for purposes of this Preliminary Order, adopts all defined terms as set forth in the Stipulation, and incorporates them herein by reference as if fully set forth.
2. The Court preliminarily approves: (a) the Settlement of the Action as set forth in the Stipulation; and (b) the proposed Plan of Allocation described in the Notice (as hereafter defined).
3. The Court hereby certifies the Settlement Class for settlement purposes. The Settlement Class is hereby defined as: all persons, entities, or legal beneficiaries or participants in any entities who, during the Settlement Class Period (defined herein), purchased or otherwise acquired MFN securities. Except as provided below, excluded from the Settlement Class are: (1) the Defendants in the Action; (2) any person, trust, corporation or other entity related to or affiliated with any of the Defendants and their successors in interest; (3) members of the family of the individual defendants in the Action; (4) any entity in which any Defendant in the Action

has a controlling interest; and (5) the legal representatives, heirs, successors or assigns of any such excluded party. As used in this paragraph, “any entity in which any Defendant in the Action has a controlling interest” means that any such entity is excluded from the Settlement Class to the extent that the entity itself had a proprietary (i.e. for its own account) interest in MFN securities. A Defendant shall be deemed to have a “controlling interest” in an entity if such Defendant has a beneficial ownership interest, directly or indirectly, in more than 50% of the total outstanding voting power of any class or classes of capital stock that entitle the holders thereof to vote in the election of members of the Board of Directors of such entity. In the event that any entity beneficially owned MFN securities in a fiduciary capacity or otherwise held such securities on behalf of third party clients or any employee benefit plans that otherwise fall within the Settlement Class, such third party clients and employee benefit plans shall not be excluded from the Settlement Class, irrespective of the identity of the entity or person in whose name such securities were beneficially owned or otherwise held. For example, such securities shall not be excluded from the Settlement Class to the extent held (1) in a registered or unregistered investment company (including a unit investment trust) for which an entity in which any Defendant in the Action has a controlling interest serves as investment manager, investment adviser or depositor; or (2) (a) in a life insurance company separate account, or (b) in a segment or subaccount of a life insurance company’s general account to the extent associated with insurance contracts under which the insurer’s obligation is determined by the investment return and/or market value of the assets held in such segment or subaccount. “Beneficial ownership” shall have the meaning ascribed to such term under Rule 13d-3 of the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

4. The Court finds that each element for certification of the Settlement Class

pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure is met, i.e., (a) members of the Settlement Class are so numerous as to make joinder impracticable; (b) the claims of Lead Plaintiffs are typical of the claims of the Settlement Class they seek to represent; (c) the interests of the members of the Settlement Class will be, and have been, fairly and adequately represented by Lead Plaintiffs and Co-Lead Counsel in this litigation; (d) a class action is superior to other available methods for the fair and efficient adjudication of this litigation; (e) common questions of law and fact exist as to all members of the Settlement Class; and (f) such common questions predominate over any questions solely affecting individual members of the Settlement Class.

5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of Settlement only, the Metromedia Lead Plaintiff Group is appointed as the class representative and the Court appoints Kaplan Fox & Kilsheimer LLP, Nix, Patterson & Roach, LLP and Patton Roberts, PLLC as Co-Lead Counsel for the Settlement Class.

6. The Court approves as to form and content, and for distribution to Settlement Class Members, the Notice of Pendency and Proposed Settlement of Class Action (“Notice”), attached hereto as Exhibit 1; a Proof of Claim and Release (“Proof of Claim”), attached hereto as Exhibit 2; and, for publication, a Summary Notice (“Summary Notice”), attached hereto as Exhibit 3.

7. Co-Lead Counsel is authorized to act on behalf of the Settlement Class with respect to all acts required by, or which may be given pursuant to, the Stipulation or such other acts which are reasonably necessary to consummate the proposed settlement set forth in the Stipulation.

8. The Court appoints the firm of Analytics Inc. as Claims Administrator to supervise and administer the notice and claim procedures in connection with the Settlement. The

Settling Parties and their counsel shall not be liable for any act or omission of the Claims Administrator.

9. The Court preliminarily finds and concludes that the Settlement is fair, reasonable, adequate and in the best interests of the Settlement Class Members, preliminarily approves the Settlement, and adopts the terms of the Settlement for the purpose of this Order.

10. The Court will hold a settlement hearing (the "Settlement Hearing") on Feb. 27, 2009, ^{at 11:00 a.m.} in Courtroom 6B, United States Courthouse, 500 Pearl Street, New York, New York 10007 for the following purposes:

(a) to finally determine whether the Action satisfies the applicable prerequisites for class action treatment under Federal Rules of Civil Procedure 23(a) and (b);

(b) to determine whether the Settlement is fair, reasonable, and adequate, and should be approved by the Court;

(c) to determine whether the Final Judgment and Order of Dismissal as provided under the Settlement Stipulation should be entered, dismissing the Complaints, on the merits and with prejudice, and to determine whether the release by the Class of the Released Parties, as set forth in the Settlement Stipulation, should be ordered;

(d) to determine whether the proposed Plan of Allocation for the proceeds of the Settlement are fair and reasonable and should be approved by the Court;

(e) to consider the application of Co-Lead Counsel for an award of attorneys' fees and reimbursement of expenses;

(f) to consider the application to award the Metromedia Plaintiffs Group for reimbursement of reasonable costs and expenses in connection with their participation in the Action; and

(g) to consider any other matters that may properly be brought before the Court in connection with the Settlement.

11. Notice of the Settlement and the Settlement Hearing shall be given by the Claims Administrator to members of the Settlement Class who can be identified through reasonable effort (a) by mailing a copy of the Notice (substantially in the form attached hereto as Exhibit 1) via first class postage pre-paid mail within 10 days after the date of entry of this Preliminary Order (“Notice Date”); and (b) by publishing a copy of the Summary Notice (substantially in the form attached hereto as Exhibit A.3) in the national edition of *The Wall Street Journal* within 10 days of the Notice Date.

12. Any and all issuers, securities firms or transfer agents holding transfer records for MFN securities are hereby ordered to produce such transfer records in a usable electronic format to the Claims Administrator within 20 days of receipt of a copy of this Order.

13. Co-Lead Counsel shall also make reasonable efforts to give notice to nominee owners such as brokerage firms and other persons or entities who purchased MFN securities during the Settlement Class Period. Such nominee purchasers are directed to forward copies of the Notice and Proof of Claim to their beneficial owners or to provide the Claims Administrator with lists of the names and addresses of the beneficial owners and the Claims Administrator is ordered to send the Notice and Proof of Claim promptly to such beneficial owners. Additional copies of the Notice shall be made available to any record holder requesting same for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Settlement Fund, upon receipt by the Claims Administrator of proper documentation, for the reasonable expense of sending the Notices and Proof of Claim to beneficial owners.

14. The Court finds and concludes, with respect to both the form of the notice given and the procedure used to give notice, that the notice provided for in this Order is the best notice reasonably practicable under the circumstances, fully satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act (the “Exchange Act”), as amended by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), 15 U.S.C. § 78u-4(a)(7), the Constitution of the United States, and any other applicable law, and constitutes due and sufficient notice to all persons entitled to receive notice.

15. Co-Lead Counsel is authorized to establish a Notice and Administration Fund (as defined in the Stipulation) of \$ 250,000 to be used for reasonable out-of-pocket costs in connection with providing notice of the Settlement to the Settlement Class and for other reasonable out-of-pocket administrative expenses. Additional amounts may be transferred from the Settlement Fund to the Notice and Administration Fund without prior approval of the Court.

16. The Settlement Hearing may be adjourned by the Court without notice to the Settlement Class Members. The Court may consider modifications of the Settlement (with the consent of Lead Plaintiffs and Defendants) without further notice to Settlement Class Members.

17. Any Settlement Class Member may request to be excluded from the Settlement. The request for exclusion from the Settlement must be made no later than forty-five (45) days from the Notice Date, must be in writing, and must include the following information: (a) the person’s name, address, and telephone number; (b) the dates that the person requesting exclusion purchased and sold MFN securities during the Settlement Class Period; and (c) the number of MFN securities purchased and sold on each of these dates and the prices of each of these purchases and sales. The request to be excluded must be mailed by first class postage pre-paid mail (or delivered by hand or overnight delivery service) as specified in the Notice. Any

person who requests exclusion from the Settlement in accordance with the terms stated in this Order shall not be a Settlement Class Member, shall not be bound by the terms of the Settlement, and shall have no right to participate in the distribution of the Settlement proceeds.

18. Any Settlement Class Member who does not request exclusion from the Settlement in the manner required by this Order may object to the Settlement and/or to the request by Co-Lead Counsel for attorneys' fees and reimbursement of expenses or otherwise request to be heard in person or by counsel concerning any matter properly before the Court at the Settlement Hearing. The objection, statement or request to be heard at the Settlement Hearing must be made by no later than 21 days prior to the Hearing Date, must be in writing, and must include the following information: (a) the person's name, address and telephone number; (b) the dates the person purchased and sold MFN securities during the Settlement Class Period; (c) the number of MFN securities purchased and sold on each of these dates and the prices of each of these purchases and sales; (d) a detailed statement of the basis for the person's objections to or comments upon the Settlement, the request for attorneys' fees and reimbursement of expenses, or any other matter before the Court; and (e) any supporting papers, including all documents and writings that the person desires the Court to consider. The objection, statement or request to be heard at the Settlement Hearing must be filed with the Clerk of the Court and must be delivered by hand, overnight delivery, or first class mail to the counsel for the parties identified in the Notice at the same time that the objection, statement or request to be heard is filed with the Clerk of the Court.

19. Any member of the Settlement Class who does not submit a request to be excluded from the Settlement in the manner stated in this Order shall be deemed to have waived his, her or its right to be excluded from the Settlement, and shall forever be barred from

requesting exclusion from the Settlement in this or any other proceeding. Such Settlement Class Members who fail to request exclusion from the Settlement shall be enjoined from prosecuting any action or claims that are or could be subject to the releases and dismissal contemplated by the Settlement.

20. Any Settlement Class Member who does not object to the Settlement or to the request for attorneys' fees and reimbursement of expenses or otherwise request to be heard concerning the Settlement in the manner stated in this Order shall be deemed to have waived his, her or its right to object to the Settlement or to the request for attorneys' fees and reimbursement of expenses or otherwise be heard concerning the Settlement, and shall forever be barred from objecting to the Settlement or to the request for attorneys' fees and reimbursement of expenses or otherwise being heard concerning the Settlement in this or any other proceeding.

21. In order to obtain any distribution of funds from the Net Settlement Fund, a Settlement Class Member must complete and submit a Proof of Claim and Release by first-class mail, such that it is postmarked no later than 90 days from the Notice Date, unless that date is extended or otherwise allowed by order of the Court. The address to which the Proof of Claim and Release must be mailed shall be stated in the Proof of Claim form itself and shall also be printed in the Notice.

22. Any Settlement Class Member who fails to submit a properly completed Proof of Claim and Release within such period as shall be authorized by the Court shall be forever barred from receiving any payments pursuant to this Stipulation or from the Net Settlement Fund, but will in all other respects be subject to the provisions of this Stipulation and the Final Judgment, including, without limitation, the release of the Released Claims and dismissal of the Action.

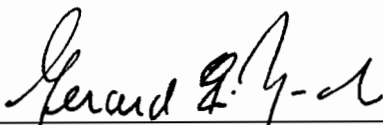
23. Pending the Settlement Hearing, the Court stays all proceedings in the Action, other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation.

24. This Order, the Settlement, and any of their terms, and all negotiations, discussions and proceedings in connection with this Order and the Settlement, shall not constitute any evidence, or an admission by any of the Citigroup Releasees or Plaintiff Releasees, that any acts of wrongdoing have been committed and shall not be deemed to create any inference that there is any liability on the part of any of the Citigroup Releasees or Plaintiff Releasees. This Order, the Settlement, and any of their terms, and all negotiations, discussions and proceedings in connection with this Order and the Settlement shall not be offered or received in evidence or used for any other purpose in this or any other proceeding in any court, administrative agency, arbitration forum, or other tribunal other than as may be necessary to enforce the terms of this Order and/or the Settlement.

25. In the event that the Settlement fails to become effective in accordance with its terms, or if the Final Judgment is not entered or is reversed, vacated, or materially modified on appeal, this Order (except for this paragraph) shall be null and void, the Settlement shall be deemed terminated pursuant to the terms of the Settlement, and the parties shall return to their positions as provided for in the Settlement.

Dated: Nov. 19, 2008
New York, New York

SO ORDERED.



Honorable Gerard E. Lynch
United States District Judge
Southern District of New York