

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON
AT SPOKANE

In re METROPOLITAN SECURITIES LITIGATION

No. CV-04-0025-FVS

THIS DOCUMENT RELATES TO:
ALL ACTIONS

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

To: ALL PERSONS WHO PURCHASED INVESTMENT DEBENTURES OR PREFERRED STOCK ISSUED BY METROPOLITAN MORTGAGE & SECURITIES COMPANY, INC. ("METROPOLITAN") OR INVESTMENT CERTIFICATES ISSUED BY SUMMIT SECURITIES, INC. ("SUMMIT") PURSUANT TO REGISTRATION STATEMENTS THAT BECAME OR WERE EFFECTIVE DURING THE PERIOD FROM FEBRUARY 13, 2001, THROUGH JULY 31, 2003 (THE "CLASS PERIOD"), EXCEPT PERSONS WHOSE ONLY PURCHASES WERE OF METROPOLITAN SERIES E-7 PREFERRED STOCK ON A SECONDARY MARKET, INCLUDING ON THE AMERICAN STOCK EXCHANGE OR THE INTERNAL TRADING DESK AT METROPOLITAN INVESTMENT SECURITIES, INC.

IF YOU FALL WITHIN THIS DEFINITION, YOU ARE A MEMBER OF THE "CLASS" AND YOU SHOULD READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. A FEDERAL COURT AUTHORIZED THIS NOTICE. THIS IS NOT A SOLICITATION.

This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Eastern District of Washington (the "Court"). The purpose of this Notice is to inform you of the proposed settlement of this securities class action lawsuit and of the hearing the Court will hold on September 21, 2010, at 1:00 p.m., before the Honorable Fred Van Sickle, United States District Judge, Eastern District of Washington, 920 W. Riverside Ave., Spokane, Washington 99291, to consider the fairness, reasonableness, and adequacy of the proposed settlement.

The settlement of this lawsuit involves separate settlements with multiple defendants. You may have received a prior notice in 2006, informing you of a settlement with some, but not all, of the former officers and directors of Metropolitan and Summit (the "2006 Settlement"), and the Court's certification of a settlement class. More recent settlements have been reached with the remaining Defendants, which, if approved, will end this litigation. These recent settlements and the 2006 Settlement are referred to together in this Notice as the "Settlements." The Settlements are between the Class and the remaining defendants in this lawsuit: Ernst & Young LLP ("E&Y"); PricewaterhouseCoopers LLP ("PwC"); Roth Capital Partners, LLC ("Roth Capital"); and C. Paul Sandifur, Jr., Thomas Turner, Robert Ness, William Snider, and Irv Marcus (together, the "Individual Defendants").

The Settlements together total more than \$38 million. For the purposes of this Notice, the amounts of all of the Settlements together are referred to as the "Settlement Fund." The Settlement Fund will include interest that accrues on that Fund prior to distribution. As explained below, the Settlement Fund will be used to make payments to Class members (as defined above and explained in the response to Question No. 7, below) who hold securities that were purchased during the time period covered by the Settlements. The Settlement Fund will also be used to pay court-approved Class Counsel expenses and fees. This Notice explains which Settlements you might be entitled to receive payments from, and the details of how the Settlement Fund will be distributed.

YOU SHOULD READ THE ENTIRE NOTICE CAREFULLY BECAUSE YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR NOT.

YOUR LEGAL RIGHTS AND OPTIONS IN THESE SETTLEMENTS

The following is a summary of your legal rights and options with respect to the Settlements. Contact information for questions not answered is also provided below.

<p>IF YOU AGREE WITH THE ACCOUNT STATEMENT YOU RECEIVED, YOU DO NOT NEED TO DO ANYTHING. NO ACTION IS NECESSARY TO RECEIVE A PAYMENT.</p>	<p>If you hold securities subject to one (or more) of the Settlements, you should have received an Account Statement with this Notice listing all of those securities. If you received an Account Statement, and you do nothing, you will receive a payment in accordance with that Account Statement as explained in the response to Question No.15 below. As explained in that response, if your securities include Metropolitan Series E-7 Preferred Shares, you may need to take additional steps to demonstrate you still hold those shares and have not sold them, or if you sold those shares, you may need to provide documentation of the sales price.</p> <p>The Claims Administrator will issue you a check and mail it to the address on record for you. If you would like to change the address where the check will be mailed to, you must call 1-800-447-7657.</p> <p>If you choose this option, you will share in the proceeds of the applicable proposed Settlement(s) if the Settlements are finally approved by the Court, and you will be bound by the judgment and release described below.</p>
<p>IF YOU DID NOT RECEIVE AN ACCOUNT STATEMENT AND BELIEVE YOU SHOULD HAVE.</p>	<p>Contact the Claims Administrator at 1-800-447-7657 or via email at metropolitanlitigation@gilardi.com.</p>
<p>IF YOU DISAGREE WITH THE ACCOUNT STATEMENT YOU RECEIVE, YOU MAY SUBMIT DOCUMENTATION TO THE CLAIMS ADMINISTRATOR. THE CLAIMS ADMINISTRATOR WILL CONSIDER THE DOCUMENTATION YOU SUBMIT WHEN CALCULATING A PAYMENT FOR YOU.</p>	<p>If you disagree with the Account Statement you received and believe you own securities that fall within the definition in the response to Question No. 7 below, and that are not reflected in the Account Statement, you may submit documentation reflecting your holdings to the Claims Administrator for consideration, but you must do so by September 30, 2010. Before disputing your Account Statement, please consider that if you purchased Metropolitan and Summit securities over many years, your Account Statement may not reflect all of your purchases. Due to the limitations of federal securities laws, only specific securities are covered by the Settlements. Please look at the responses to Questions Nos. 7 and 12 of this Notice, below, for an explanation of which securities are covered.</p> <p>The Claims Administrator's address for disputing Account Statements and providing documentation is: In re: Metropolitan Securities Litigation, c/o Gilardi & Co. LLC, P.O. Box 990, Corte Madera, CA 94976-0990.</p>
<p>YOU CAN OBJECT.</p>	<p>If you did not previously exclude yourself from the Class, you can object to any or all of the recent Settlements, and any request for attorneys' fees and expenses, as discussed in the responses to Questions Nos. 19 and 20, below.</p>
<p>YOU CAN ATTEND THE COURT HEARING CONCERNING APPROVAL OF THE SETTLEMENTS.</p>	<p>You can ask to appear at the hearing and speak in Court about the fairness of any of the recent Settlements, or the application for attorneys' fees and costs, if you did not previously ask to be excluded from the Class. The hearing will be held at 1:00 p.m. on September 21, 2010, and is described in the responses to Questions Nos. 21, 22, and 23 below.</p>

WHAT THIS NOTICE CONTAINS	
	PAGE NOS.
BASIC INFORMATION	
1. Why did I receive this Notice?	4
2. How do I get more information?	4
3. What is this lawsuit about?	4
4. Why was this lawsuit brought as a class action?	4
5. Why are there multiple Settlements?	4
6. Why did Plaintiffs agree to the Settlements?	5
7. How do I know if I am entitled to a payment from one of the Settlements?	5
8. Are there exceptions to those allowed to participate?	5
9. I am still not sure if I'm allowed to participate.	6
10. Can I exclude myself from the Settlements?	6
11. What do the Settlements provide?	6
12. How do I know which Settlement Pools I am entitled to participate in?	7
13. How much will my payment be?	8
14. What is the Plan of Distribution?	8
PAYMENT INFORMATION	
15. How can I get my payment?	9
16. When will I get my payment?	9
THE LAWYERS REPRESENTING YOU	
17. Do I have a lawyer in this lawsuit?	9
18. How are the lawyers paid?	9
OBJECTING TO THE SETTLEMENT	
19. What does it mean to object?	10
20. How do I tell the Court that I do not like one of the Settlements?	10
THE COURT'S FAIRNESS HEARING	
21. When and where will the Court decide whether to approve the Settlements?	11
22. Do I have to attend the fairness hearing?	11
23. May I speak at the hearing?	11
IF YOU DO NOTHING	
24. What happens if I do nothing at all?	11
GETTING MORE INFORMATION	
25. Are there more details available about the Settlements?	11

BASIC INFORMATION

1. *Why did I receive this Notice?*

Records indicate that you or someone in your family owns or used to own Metropolitan and/or Summit securities that are the subject of the Settlements. The Court authorized that this Notice be sent to you because you have a right to know about the proposed Settlements and your options before the Court decides whether to approve any or all of the recent Settlements. If the Court approves the Settlements, and after any objections and appeals are resolved, the Claims Administrator appointed by the Court will make the payments described in this Notice.

The Court in charge of the lawsuit is the United States District Court for the Eastern District of Washington, and the lawsuit is known as *In re Metropolitan Securities Litigation*, No. CV-04-0025-FVS. The named individual investors in Metropolitan and Summit who brought this lawsuit are called Class Representatives and all of the investors they represent are called Plaintiffs, and the companies and people they sued are together called the Defendants.

This Notice is not intended to be, and should not be considered, an expression of any opinion by the Court with respect to the truth of the allegations in the lawsuit or the merits of the claims or defenses asserted by the parties.

2. *How do I get more information?*

All of the information you need should be contained in this Notice. If not, you can call 1-800-447-7657 toll-free, send an email to metropolitanlitigation@gilardi.com or visit the following website: www.metropolitanlitigationsettlement.com, where you will find answers to common questions about the Settlements, copies of the Settlement agreements, plus other information to help you determine whether you are a member of the Class and whether you are eligible for a payment. **Please do not contact the Court. The Court will not be able to answer your questions.**

3. *What is this lawsuit about?*

The lawsuit began when Plaintiffs filed their complaint on January 20, 2004, in the United States District Court for the Eastern District of Washington (referred to as the "Court" in this Notice). The case was assigned No. CV-04-0025-FVS.

The lawsuit is a federal securities class action. Plaintiffs allege that the Defendants violated provisions of the federal securities law regarding the completeness and accuracy of the registration statements used to sell Metropolitan and Summit securities to investors. Specifically, Plaintiffs allege that all Defendants violated Section 11 of the Securities Act of 1933, 15 U.S.C. § 77k, and that the Individual Defendants violated Section 15 of the Securities Act of 1933. Plaintiffs allege that the financial statements and text of the registration statements issued during the Class Period were misleading. The Defendants are listed above.

Each of the Defendants has separately denied and continues to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the lawsuit, and nothing in this Notice constitutes or should be considered an admission of any wrongdoing or liability.

4. *Why was this lawsuit brought as a class action?*

In a class action, a person called a Class Representative sues on behalf of people who have similar claims. All of these people who have similar claims make up the Class and are Class members. One court resolves the issues in the lawsuit for all Class members. Because the wrongful conduct alleged by Plaintiffs in this lawsuit affected a large group of people in a similar way, Plaintiffs filed this lawsuit as a class action. The Court certified the Class (defined in the response to Question No. 7 below).

5. *Why are there multiple Settlements?*

Plaintiffs sued multiple individuals and companies for the Class's losses. Plaintiffs believed that the different Defendants had responsibilities for the losses based on their roles with the Metropolitan and Summit companies during the relevant time period. For example, PwC audited the fiscal year 2000 financial statements for the companies while E&Y audited the fiscal year 2001 financial statements. Roth was the qualified independent underwriter for securities sold during the Class Period. And the Individual Defendants served as officers and directors of the companies when the securities were issued.

In 2006, a related lawsuit was brought in bankruptcy court that involved the insurance policies that insured the companies, their officers and directors, and brokers who sold Metropolitan and Summit securities. In 2006, Plaintiffs reached the 2006 Settlement with some, but not all, of the companies' former officers and directors who had been sued in this lawsuit, for a total of \$5.39 million, which was paid out of the insurance proceeds. The 2006 Settlement was the subject of a prior mailed notice, which can be viewed on the website at www.metropolitanlitigationsettlement.com. The 2006 Settlement received final approval from the Court in 2006. The funds from the 2006 Settlement have been held in an interest-bearing

account, and the Court previously authorized reimbursement to Class Counsel from that fund of approximately \$950,000 for out-of-pocket expenses incurred in litigating this lawsuit. The remaining proceeds from the 2006 Settlement will be distributed the Class along with the proceeds from the more recent Settlements, if the Court finally approves the Settlements.

As the lawsuit against the remaining Defendants proceeded toward a scheduled trial date of March 15, 2010, Plaintiffs reached separate settlement agreements with each remaining Defendant or group of Defendants. The Settlements were not reached at the same time. Therefore, there are multiple sources of settlement funds. These are allocated into three different Settlement Pools as described in the response to Question No. 15.

6. Why did Plaintiffs agree to the Settlements?

Plaintiffs agreed to the recent Settlements after six years of prosecuting this lawsuit, and shortly before trial was scheduled to begin in March 2010. Class Counsel (as defined in the response to Question No. 17) negotiated each settlement separately, and reached the agreements based on a number of factors, including the costs of trial, the risks of losing at trial, the opportunity to provide the Class with guaranteed compensation now rather than following a possibly lengthy appeal of any trial verdict, the roles played by each Defendant, the particular securities with which each Defendant was involved, and the provisions of the federal securities laws and rulings by the Court. In addition, with regard to the settlements with Roth Capital and the Individual Defendants (such as C. Paul Sandifur, Jr. and Thomas Turner), Class Counsel reviewed confidential financial information related to those Defendants and concluded that success at trial against those Defendants could result in verdicts that the Class could not collect. Class Counsel believe that each of the Settlements is best for all members of the Class.

7. How do I know if I am entitled to a payment from one of the Settlements?

You are entitled to a portion of the Settlement Fund if you are a member of the Class, which is defined as follows:

All persons who purchased investment debentures or preferred stock issued by Metropolitan or stock investment certificates issued by Summit pursuant to registration statements that became or were effective during the Class Period, except persons whose only purchases were of Metropolitan Series E-7 preferred stock on a secondary market, including on the American Stock Exchange or the internal trading desk at Metropolitan Investment Securities, Inc.

Included within this definition are purchases of securities during the Class Period through a reinvestment of dividends. Only certain securities entitle a person to participate in the Settlements. Those securities are the following:

- Summit Investment Certificates, Series B, purchased on or after February 13, 2001.
- Metropolitan Investment Debentures, Series III and III-A, purchased on or after May 11, 2001.
- Metropolitan Preferred Shares, Series E-7, purchased on or after November 14, 2001 (as long as they were not purchased on a secondary market such as the American Stock Exchange or the Metropolitan Investment Securities trading desk).

8. Are there exceptions to those allowed to participate?

If you did not purchase any of the securities listed in the response to Question No. 7, above, or if your only purchases were of Metropolitan E-7 preferred stock on a secondary market, including on the American Stock Exchange or the internal trading desk at Metropolitan Investment Securities, Inc., you are not a member of the Class and you are not entitled to participate in the Settlements. You are also not entitled to participate in the Settlements if you previously chose to exclude yourself from the Class.

In addition, two Settlements have unique exclusions. The 2006 Settlement does not benefit registered representatives (brokers) who sold Metropolitan or Summit securities, named defendants, their immediate family members, any entity in which they have a controlling interest, and the heirs, successors or assigns of the same. In addition, the Individual Defendants Settlement Pool (as defined in the response to Question No. 11) does not benefit the named individual defendants who are covered by that settlement.

9. I am still not sure if I am allowed to participate.

If you are still not sure whether you are allowed to participate in the Settlements, you can ask for free help. Please call 1-800-447-7657, send an email to metropolitanlitigation@gilardi.com, or visit www.metropolitanlitigationsettlement.com.

10. Can I exclude myself from the Settlements?

An opportunity to exclude yourself from the Class was previously offered in 2009 when a notice of the certification of the Class was mailed and published in the Spokane *Spokesman-Review* and at www.businesswire.com. This is sometimes referred to as “opting out” of a Class. The opportunity to exclude yourself has passed.

11. What do the Settlements provide?

There are five different Settlements contributing funds to the Settlement Fund. For purposes of distribution, the funds will be allocated into three Settlement Pools. You may be eligible to participate in one or more (or none) of the Pools, depending on which securities you purchased and when you purchased the securities.

Each of the Settlements provides that in return for payment of an agreed amount, each and every Class member will forever dismiss, and may not pursue in the future, any and all claims he or she may have against the Defendants that arise out of or are related to their purchases of any Metropolitan or Summit securities.

The Settlements are identified as follows:

Settling Defendant(s)	Amount Paid or to be Paid in Settlement	Settlement Reference Name and Settlement Pool
Ernst & Young LLP	\$14,250,000.00	“EY Settlement,” part of the Auditor Settlement Pool
PricewaterhouseCoopers LLP	\$13,900,000.00	“PwC Settlement,” part of the Auditor Settlement Pool
Roth Capital Partners, LLC	\$5,000,000.00	“Roth Settlement,” which comprises the Roth Settlement Pool
C. Paul Sandifur, Jr., Thomas Turner Irv Marcus Robert Ness William Snider	\$218,000.00*	“Individual Defendants Settlement,” part of the Individual Defendants Settlement Pool
Irv Marcus Robert K. Potter Clayton E. Rudd James V. Hawkins Gregory S. Strate Philip W. Sandifur Samuel Smith Bruce J. Blohowiak B. Elaine Hoskin Gary D. Bracjcich The Estate of Harold W. Erfurth Reuel C. Swanson William A. Smith John T. Trimble Erik E. Skaggs	\$5,386,186.00 (plus interest accrued)	“2006 Settlement,” part of the Individual Defendants Settlement Pool
TOTAL	\$38,754,186.00 (plus interest accrued)	

* The Individual Defendants Settlement Pool is comprised of payments made by the Individual Defendants and \$150,000, plus interest, that was previously paid by C. Paul Sandifur, Jr., to settle a lawsuit brought against him by the Securities Exchange Commission (“SEC”). The inclusion of the SEC settlement funds in the Individual Defendants Settlement Pool is contingent on approval of the distribution of those funds by the Court in charge of the lawsuit brought by the SEC against Mr. Sandifur. The funds will be included in the Individual Defendants Settlement Pool if that Court approves the distribution. As explained above, the settlement with the Individual Defendants was based in part upon Class Counsel’s

review of confidential personal financial disclosures by each of the Individual Defendants, which the Court reviewed prior to authorizing this Notice.

12. How do I know which Settlement Pools I am entitled to participate in?

Metropolitan and Summit sold securities pursuant to registration statements that were approved by the SEC. Your eligibility to participate in any or all of the Settlement Pools depends on which type of security you purchased (a Metropolitan debenture, Metropolitan preferred stock, or a Summit investment certificate), the date on which you purchased that security, and the date on which the SEC declared the registration statement effective.

The following chart shows each registration statement that falls within the Class and the date the SEC declared that registration statement effective, and which Settlement Pool(s) investors who purchased those securities are eligible to participate in.

REGISTRATION STATEMENT

Settlement Pool	Summit Investment Certificates Series B Feb. 13, 2001	Met. Investment Debentures Series III and III-A May 11, 2001	Met. Preferred Series E-7 Nov. 14, 2001	Summit Investment Certificates Series B and B-1 Feb. 13, 2002	Met. Investment Debentures Series III and III-A April 29, 2002	Met. Preferred Series E-7 August 13, 2002
Individual Defendants Settlement Pool	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible
Roth Settlement Pool	Not Eligible	Not Eligible	Eligible	Eligible	Eligible	Eligible
Auditors Settlement Pool	Not Eligible	Not Eligible	Not Eligible	Eligible	Eligible	Eligible

For example, investors who purchased Summit investment certificates pursuant to the February 13, 2001 registration statement, or Metropolitan debentures between May 11, 2001, and April 28, 2002, are eligible to participate in the Individual Defendants Settlement Pool. Investors who purchased Metropolitan preferred stock pursuant to the November 14, 2001 registration statement are eligible to participate in both the Individual Defendants Settlement Pool and the Roth Settlement Pool. Investors who purchased Summit investment certificates on or after February 13, 2002, Metropolitan debentures on or after April 29, 2002, or Metropolitan preferred stock pursuant to the August 13, 2002 registration statement, are eligible to participate in all three Settlement Pools.

Which Settlement Pool(s) you may participate in is determined by the federal securities laws and various rulings by the Court. Those laws and rulings limit which Metropolitan or Summit securities are eligible to participate in each of the various settlements. For example, federal securities laws do not allow claims for securities purchased pursuant to registration statements that became effective more than three years prior to January 20, 2004, the date this lawsuit was filed. Court rulings regarding the statute of limitations also restricted the registration statements that Defendants Roth and PwC could be liable for. As another example, Defendant E&Y is not liable for any securities purchased prior to February 13, 2002, the effective date of the first registration statement that included financial statements that had been audited by E&Y.

13. How much will my payment be?

The Claims Administrator appointed by the Court will determine whether and how much each Class member will recover based on a Plan of Distribution developed by independent experts and approved by the Court. The Plan of Distribution is described below in the response to Question No. 14.

Class Counsel anticipate that if the Court reimburses the full amount of costs incurred by Class Counsel and awards the maximum fees that Class Counsel might seek (as explained in the response to Question No. 18), Class members may receive the following percentages for each dollar taken into consideration under the plan of distribution (see the response to Question No. 14):

- Metropolitan Preferred Stock, Series E-7, purchased pursuant to the August 13, 2002 registration statement: 20.9%
- Metropolitan Debentures, Series III and III-A, purchased on or after April 29, 2002: 20.9%

- Summit Investment Certificates, Series B and B-1, purchased on or after February 13, 2002: 20.9%
- Metropolitan Preferred Stock, Series E-7, purchased pursuant to the November 14, 2001 registration statement: 4.3%
- Metropolitan Debentures, Series III and III-A, purchased on or after May 11, 2001 but before April 29, 2002: 1.8%
- Summit Investment Certificates, Series B, purchased on or after February 13, 2001 but before February 13, 2002: 1.8%

These numbers are best estimates based on consultation with economic experts. The exact amount each person will receive will depend on a number of factors, including the amount of fees and costs awarded to Class Counsel, how those fees and costs are allocated across the Settlement Pools, the number of claims documented with regard to sales of preferred stock and the value of those claims, the amount of interest earned on the Settlement Fund, and the resolution of any disputes of the securities listed in Account Statements.

Please note that in all cases, your share of the Settlement Fund will be less than your actual losses. You are not responsible for calculating the amount you may be entitled to receive under the Settlements – this will be done by the Claims Administrator.

If you have questions regarding the Settlements or the settlement amounts you may receive please do not contact the Court. Instead, please call 1-800-447-7657, send an email to metropolitanlitigation@gilardi.com, or visit www.metropolitanlitigationsettlement.com.

14. What is the Plan of Distribution?

If the Court approves the recent Settlements after the fairness hearing described in the response to Question No. 21, the Court will likely award costs and fees to Class Counsel. The amount of that award is in the Court's discretion, and the amount of fees and costs that Class Counsel may request is described in the response to Question No. 18.

The amount of any Court award of fees and costs, together with the Court's prior award reimbursing Class Counsel for approximately \$950,000 in out-of-pocket expenses, will be deducted proportionately from each Settlement Pool.

The net amount remaining in each Settlement Pool will then be distributed proportionately among the people eligible to participate in that Settlement Pool. The portion of a Settlement Pool that a particular Class member will receive will be based on a comparison of the dollar amount of that Class member's calculated damages to the total dollar amount of calculated damages eligible to participate in that Settlement Pool. A separate calculation will be performed for each Settlement Pool.

If you own Metropolitan debentures and Summit investment certificates (collectively referred to in this Notice as "Debt Securities"), the amount of your calculated damages considered for this calculation will be reduced to reflect the amounts of money that holders of Debt Securities have received or will receive as a result of the liquidation of Metropolitan and Summit through bankruptcy. Distributions made to date, together with planned distributions, will total approximately 30 cents per dollar for all Debt Securities. Therefore, the basis for calculating your damages for debentures and investment certificates will be reduced accordingly for any Debt Security held that falls within the Class Period.

Unlike holders of Debt Securities, holders of Metropolitan preferred stock have not been entitled to participate in any distributions from the bankruptcy of Metropolitan. Therefore, if you hold Metropolitan preferred stock that is covered by the Settlements and you were the original purchaser of those shares (or received the shares in a transfer or gift from the original purchaser), the basis for your damage calculation for any eligible preferred stock will be 100 cents on the dollar. However, if you purchased preferred stock within the time period covered by the Settlements but later sold it on the American Stock Exchange, you **must** provide documentation of that sale (see the response to Question No. 15, below). Your recovery with regard to any shares you sold will be calculated based on the difference between the price you paid for the shares and the price you sold the shares for.

15. How can I get my payment?

If you hold securities that are covered by the Settlements, you should have received an Account Statement in connection with this Notice that lists the securities you purchased that are subject to the Settlements and the amounts and dates of your purchases. The information on the Account Statement was prepared by the Claims Administrator based on an extensive historical database of all purchases of Metropolitan and Summit securities.

If you do not dispute your Account Statement, you do not need to do anything to recover a payment based on the purchases and amounts listed on your Account Statement. The amount of your recovery will be calculated for you and a check will be sent to you.

However, if you purchased Metropolitan preferred stock and Metropolitan's records indicate that you sold or may have transferred those shares to a broker other than Metropolitan Investment Securities, Inc. ("MIS"), you will need to provide additional documentation to recover as to those shares. Metropolitan preferred stock was occasionally resold on the MIS Trading Desk and was also available for sale on the American Stock Exchange. If you sold your shares on the MIS Trading Desk, the Claims Administrator has a record of your sale, and your Account Statement will reflect that sale. However, if your shares were sold on the American Stock Exchange or were transferred to a broker other than MIS, the Claims Administrator cannot determine without further documentation from you whether those shares were actually sold, and if they were sold, what price they were sold at. If you have shares meeting this description in your portfolio, they are identified on your Account Statement with an indication that those shares are currently held by an "Outside Broker". **If you submit documentation about the disposition of those shares, you must do so by using the Proof of Claim attached to your Account Statement, and you must do so no later than September 30, 2010.** The Claims Administrator will consider what you submit and make a final, binding decision in calculating the amount of your distribution from the Settlement Fund. If you do not provide additional documentation about the disposition of shares with that notation, you will not receive a distribution as to those shares.

If you disagree with the Account Statement provided, you may provide documentation of what you believe your holdings to be to the Claims Administrator for consideration. If you want to provide additional documentation, you must use the Dispute Form attached to your Account Statement, and you must do so no later than September 30, 2010. After the Claims Administrator considers the information in Metropolitan's records and the information you submit, the Claims Administrator will make a final, binding decision. It is important that you contact the Claims Administrator and provide documents you think are relevant for consideration.

16. When will I get my payment?

Judge Fred Van Sickle will hold a hearing at 1:00 p.m. on September 21, 2010, to decide whether to approve the Settlements. If the Court approves the recent Settlements, appeals may follow. It is always uncertain whether there will be an appeal and how long it might take to have any appeal resolved. Resolving them can take time, perhaps more than a year. No payments will be made until the Settlements are finally approved and any appeals are resolved. In addition, it will take some time after Court approval and any appeals for the Claims Administrator to resolve any disputes about the amounts of individuals' securities.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this lawsuit?

The Court appointed the law firms of Gordon Thomas Honeywell Malanca Peterson & Daheim LLP in Tacoma, Washington, and Hagens Berman Sobol Shapiro LLP in Seattle, Washington, to serve as the lead attorneys to represent you and other Class members. These lawyers are called Class Counsel. You will not be personally charged for these lawyers. They will ask for fees to be paid out of the Settlement Fund as described below in the response to Question No. 18. If you want to be represented by your own lawyer, you may hire one at your own expense.

18. How are the lawyers paid?

Class Counsel have not received any payment for their services for six years in conducting this lawsuit on behalf of the Plaintiffs and Class members. Plaintiffs will request the Court to award attorneys' fees in an amount not to exceed 33% of the total recoveries from all the Settlements other than the SEC settlement, after payment of court-approved costs. Class Counsel has previously received reimbursement for approximately \$950,000 in out-of-pocket expenses arising from the litigation of this lawsuit. Since then, Class Counsel have incurred nearly \$2 million in additional out-of-pocket expenses made on behalf of the Class for which they will seek reimbursement. If Class Counsel requests reimbursement of litigation costs of \$2 million and fees equal to 33% of the Settlement Fund, together with the prior reimbursement of \$950,000 in costs, the total amount of the Settlement Fund will be reduced by 38.1%.

A portion of the Settlement Fund will also be used for certain administrative expenses, including costs of printing and mailing this Notice, the cost of publishing a newspaper notice, payment of any taxes assessed against the Settlement Fund, costs associated with processing of claims submitted by preferred shareholders, and the processing of payments to members of the Class. The balance of the Settlement Fund (the "Net Settlement Fund") after payment of all court-approved fees and costs will be distributed according to the Plan of Distribution, described in the response to Question No. 14.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with any one, or all, of the Settlements in which you are entitled to participate. However, the opportunity to object to the 2006 Insurance Settlement passed in 2006, and that Settlement has been finally approved. You may still object to how that Settlement is distributed.

19. What does it mean to object?

Objecting is simply telling the Court that you do not like something about any of the Settlements in which you are entitled to participate, including Class Counsel's application for reimbursement of expenses or fees, or the Plan of Distribution. If you object, it will not have any bearing on your right to participate in the distribution of the Settlement Fund.

20. How do I tell the Court that I do not like one of the Settlements?

You can object to any of the Settlements in which you are entitled to participate if you dislike any part of them. You can also object to Class Counsel's application for reimbursement of expenses or fees, or the Plan of Distribution. You can give reasons why you object, and the Court will consider your views. To object, you must send a letter postmarked no later than August 16, 2010 saying that you object to the Settlement(s) in *In re Metropolitan Securities Litigation*, Civ. No. CV-04-0025-FVS. Be sure to include your name, address, telephone number, your signature, and to identify **which Settlement you object to** and your reasons for objecting. All papers submitted must include the case number for the lawsuit, CV-04-0025-FVS, on the first page.

Mail a copy of the objection to each of the places identified below, postmarked no later than August 16, 2010. You must mail your objection by this date. If you fail to do so, the Court will not consider your objections.

COURT	
Clerk of the Court U.S. District Court Eastern District of Washington 920 W. Riverside Spokane, WA 99291	
CLASS COUNSEL	
Bradley B. Jones GORDON THOMAS HONEYWELL MALANCA PETERSON & DAHEIM LLP 1201 Pacific Avenue Suite 2100 Tacoma, WA 98402	Tyler Weaver HAGENS BERMAN SOBOL SHAPIRO LLP 1918 Eighth Avenue Suite 3300 Seattle, WA 98101
DEFENSE COUNSEL	
<i>Attorneys for C. Paul Sandifur, Jr.</i>	<i>Attorneys for Thomas Turner</i>
Steven Fogg CORR CRONIN MICHELSON BAUMGARDNER & PREECE LLP 1001 Fourth Avenue Suite 3900 Seattle, WA 98254	Stephen M. Rummage DAVIS WRIGHT TREMAINE LLP 1201 Third Avenue Suite 2200 Seattle, WA 98101-3045
<i>Attorneys for Roth Capital Partners, LLC</i>	<i>Attorneys for Ernst & Young LLP</i>
Julia B. Strickland Mary D. Manesis STROOCK & STROOCK & LAVAN LLP 2029 Century Park East, Suite 1800 Los Angeles, CA 90067-3086	Chris Lind Chris Landgraff Andrew K. Polovin BARTLIT BECK HERMAN PALENCHAR & SCOTT LLP Courthouse Place 54 West Hubbard Street Chicago, IL 60610
<i>Attorneys for PricewaterhouseCoopers LLP</i>	<i>Attorneys for Irv Marcus, Robert Ness & William Snyder</i>
James P. Cusick KING & SPALDING LLP 1185 Avenue of the Americas New York, NY 10036-4003	Brian D. Buckley FENWICK & WEST LLP 1191 Second Ave. 10th Floor Seattle, WA 98101

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlements. You may attend and you may ask to speak, but you are not required to do so.

21. When and where will the court decide whether to approve the Settlements?

The Court will hold a Fairness Hearing at 1:00 p.m. on September 21, 2010 at the United States District Court for the Eastern District of Washington, 920 W. Riverside, Spokane, Washington 99291, before the Honorable Fred Van Sickle, United States District Judge. At this hearing, the Court will consider whether the recent Settlements are fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Van Sickle will listen to people who have asked to speak at the hearing. At or after the hearing, the Court will decide whether to approve the Settlements and the amount of attorneys' fees and expenses requested by Class Counsel. We do not know how long the Court's decisions will take.

22. Do I have to attend the fairness hearing?

No. Class Counsel will answer questions Judge Van Sickle may have. You are, however, welcome to attend the hearing at your own expense. If you send a written objection, you do not have to attend the hearing to talk about it. As long as your objection is postmarked by August 16, 2010, the Court will consider it. You may also pay your own lawyer to attend the hearing, but it is not necessary.

23. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear in *In re Metropolitan Mortgage Securities Litigation*." Be sure to include your name, address, telephone number, and your signature as well as the case number: **CV-04-0025-FVS**. Your Notice of Intention to Appear must be postmarked no later than August 16, 2010 and sent to the Clerk of the Court, Class Counsel, and Defense Counsel at the addresses indicated in the response to Question No. 20.

IF YOU DO NOTHING

24. What happens if I do nothing at all?

If you are a qualified holder of a Metropolitan debenture, Summit investment certificate or Metropolitan preferred stock and you do nothing, you will receive a payment as discussed in the response to Question No. 15.

GETTING MORE INFORMATION

25. Are there more details available about the Settlements?

This Notice summarizes the proposed Settlements. More details are in the parties' Settlement Agreements. You can get a copy of the Settlement Agreements by visiting www.metropolitanlitigationsettlement.com, by calling 1-800-447-7657, or by sending an email to metropolitanlitigation@gilardi.com.

The Court has appointed a Claims Administrator, who is available to answer questions from Class members regarding matters contained in this Notice, including the calculation of distributions from the Settlement Fund and the submission of Proofs of Claim for certain preferred shares, and from whom additional copies of this Notice and the Proof of Claim form may be obtained:

In re: Metropolitan Securities Litigation
c/o Gilardi & Co. LLC
P.O. Box 990
Corte Madera, CA 94976-0990

Additional copies of this Notice and the Proof of Claim forms may also be obtained from the website at www.metropolitanlitigationsettlement.com.

For further information regarding the Settlements you may also contact: Bradley B. Jones, Gordon Thomas Honeywell Malanca Peterson & Daheim LLP, 1201 Pacific Avenue, Suite 2100, Tacoma, Washington 98402, Telephone: (253) 620-6500, or Tyler Weaver, Hagens Berman Sobol Shapiro LLP, 1918 Eighth Avenue, Suite 3300, Seattle, Washington 98101, Telephone: (206) 623-7292, e-mail: Metropolitan@hbsslw.com.

Remember, please do not contact the Court. The Court cannot help you with additional information.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

DATED: July 2, 2010

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON