

ATTENTION: SELLERS OF STAMPS AT STAMP AUCTIONS

If you sold stamps at public auction from Jan. 1, 1979 - June 30, 1997 ("the Claim Period"), please read this notice carefully. Your legal rights may be affected.

In July, 2001, the Attorneys General of New York, Maryland and California (the "Plaintiff States" or "States") brought a lawsuit against certain collectible postage stamp dealers: Anthony Feldman, John Apfelbaum, Earl P.L. Apfelbaum, Inc., Davitt Felder, Davitt Felder, Inc., Stephen Osborne, Dana Okey, Etienne De Cherisey, Kees Quirijns, and Lewis Berg. The complaint in the lawsuit, *New York, et al. v. Feldman, et al.*, No. 01-cv-6691 (S.D.N.Y.), alleges that these dealers entered into a conspiracy among themselves and with others to rig bids at auctions held during the Claim Period. After extensive litigation and negotiations, the States have agreed to proposed settlements ("the Agreements") to resolve the claims as to all defendants except Anthony Feldman, and some other alleged participants in the conspiracy. Under the Agreements, the Defendants and other individuals have paid to the States a total of \$687,000. By entering into these Agreements, the Defendants do not admit to any of the allegations of Plaintiff States' complaint, or to any illegal conduct. Plaintiff States' complaint does not allege any illegal conduct by the auction houses at which Defendants made their sales.

The States have also obtained a default judgment in the amount of \$4,488,439 against Defendant Feldman. The States may seek to enforce that judgment, although Feldman apparently resides outside the United States and the States are unaware of Feldman assets in the United States. Thus, the States cannot give any assurance that they will recover any funds from Feldman.

Under the proposed settlements, the defendants have also agreed to a court order prohibiting certain conduct at stamp auctions, including agreements to refrain from bidding against one another.

During the course of the investigation preceding the litigation, and during the litigation itself, the Plaintiff States obtained documents indicating that specific lots and consignors that were impacted by the alleged conspiracy, those records cover primarily auctions held during a 13 month period from May 1996 through June 30, 1997. On the basis of expert testimony and advice, the States estimated the extent of the damages caused by the alleged conspiracy during that period, including an identification of those persons selling specific lots whose price may have been affected. Those so identified will be notified by first class mail at their last known address of the estimated impact of the alleged conspiracy on specific lots. Although the States have used compulsory process and other means to secure such records as may be available, they have not been able to obtain significant records of the alleged conspiracy for other periods of time.

All individuals who consigned stamps at auction during the Claim Period may file a claim seeking recovery from the settlement fund if the consignments occurred at the following auction houses: Matthew Bennett, Inc., H.R. Harmer's, Inc.; Siegel's; Sotheby's; Christie's (Spink America); or Harmer-Schau, Inc. Such claims should be sent, with all documentation of such consignments, to

Stamps Claims Process
Office of the New York Attorney General
Antitrust Bureau
120 Broadway, Suite 26C
New York, NY 10271

The settlement fund and any accumulated interest will be used, in the first instance, to pay the full

amount (without interest) of the estimated damages to those individuals identified by the States as having been impacted by the alleged conspiracy, less 10% to the auction house where the stamps were sold as compensation for lost commissions. The remainder of the funds shall be distributed pro rata to all other valid claimants, up to a maximum of 10% of the value of their sales.

As part of reviewing the validity and appropriateness of claims, the States reserve the right to decline payment from the settlement fund to claimants: (1) that do not submit adequate documentation of their consignments; (2) whose lots are specifically identified in the States' documents or via other sources of information as ones which were apparently not affected by the alleged conspiracy; or (3) that otherwise should not be entitled to participate in the distribution of the settlement fund. The States further reserve the right to make application to the Court, on appropriate notice, to reject or modify any claim when it appears that recognizing the claim would be inequitable. No estate or business that sold lots at an auction in California may make a claim for those lots.

Should funds remain after the distribution set forth above, the Plaintiff States will seek court approval to distribute those funds to any of the following:

- To claimants harmed by the alleged conspiracy, to provide additional compensation, including compensation based on those claimants' legal entitlement to treble damages. The amount of additional compensation may depend on the legal basis on which the Plaintiff States have sought recovery for that claimant;
- To auction houses harmed by the alleged conspiracy, to provide additional compensation;
- To charitable organizations for distribution *cy pres*, for the benefit of sellers at auction, including organizations that promote stamp collecting or aid stamp collectors; or
- To the Plaintiff States as compensation for costs or attorneys' fees, or as civil penalties.

This description is only a summary of the proposed settlements and distribution plan, the full terms of which are set forth in the Agreements. The Agreements and other relevant documents may be inspected during regular business hours at the Office of the Clerk, U.S. Courthouse, 500 Pearl Street, New York, NY 10007.

The U.S. District Court for the Southern District of New York must approve the settlements for them to become effective. Any individual, business or estate accepting a payment from the settlement funds will release its claims against the defendants. If you are an individual resident of New York, Maryland or California who sold stamps during the Claim Period, or a non-resident seller of stamps at auctions in New York or Maryland, and you do not wish to be legally bound by the settlement or the default judgment against Mr. Feldman, you must expressly exclude yourself by no later than June 30, 2004. To exercise this right, or for more information, write to lead counsel for the States, at the address below.

The Court will hold a Hearing on July 8, 2004 at 10 a.m. in Courtroom 12C, U.S. Courthouse, 500 Pearl Street, New York, NY 10007 to determine whether to finally approve the proposed settlements (the "Fairness Hearing").

Any potential claimant who has not requested exclusion may appear at the Fairness Hearing to explain why the proposed settlement should not be approved; provided, however, that no one shall be heard unless that person has filed with the Court on or before June 30, 2004, a Notice of Intention to

Appear and Object, and copies of any papers supporting that persons' position and, contemporaneously has sent such documents by hand delivery or first-class mail to the persons listed below. No potential claimant is obligated to appear or take any other action at the Fairness Hearing.

Under the Agreements, if the Court finds the proposed settlement fair, adequate and reasonable, and all appeals are resolved or all appeal periods have expired, residents of New York, Maryland and California who have not timely requested exclusion from the settlement shall be deemed to have fully released all relevant claims against these Defendants based upon Defendants' conduct during the Claim Period.

Copies of all papers required or permitted to be filed shall be sent by hand delivery, or first class mail made on the following persons:

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COUNSEL FOR DEFENDANTS AND *PRO SE* DEFENDANTS

By Order of the Court

Date: April 12, 2004

Clerk of the Court, United States District Court for the Southern District of New York

PLEASE DO NOT CONTACT THE COURT