

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

IN RE POPULAR INC. ERISA LITIGATION

THIS DOCUMENT RELATES TO:

MASTER FILE: 3:09-CV-01552-ADC

NOTICE OF CLASS ACTION SETTLEMENT

Your legal rights might be affected if you are a member of the following *Class*:

ALL PARTICIPANTS OF THE POPULAR, INC. PUERTO RICO SAVINGS AND INVESTMENT PLAN (THE "PR PLAN") AND THE POPULAR, INC. U.S.A. 401(K) SAVINGS & INVESTMENT PLAN (THE "USA PLAN") (COLLECTIVELY, THE "*PLANS*") WHO HELD EMPLOYER STOCK, AS THAT TERM IS DEFINED IN THE *PLANS*, IN THEIR INDIVIDUAL ACCOUNTS IN THE *PLANS* AT ANY TIME DURING THE PERIOD STARTING ON JANUARY 24, 2008 AND ENDING ON APRIL 6, 2011, AND AS TO EACH SUCH PERSON, HIS, HER, OR ITS BENEFICIARIES, ALTERNATE PAYEES (INCLUDING SPOUSES OF DECEASED PERSONS WHO WERE PLAN PARTICIPANTS), AND SUCCESSORS-IN-INTEREST, BUT EXCLUDING THE DEFENDANTS.

**SI USTED INTERESA OBTENER UNA COPIA EN ESPAÑOL DE ESTA NOTIFICACIÓN PUEDE OBTENERLA EN EL SIGUIENTE PORTAL DE INTERNET:
www.berdonclaims.com**

**A FEDERAL COURT AUTHORIZED THIS NOTICE.
THIS IS NOT A SOLICITATION FROM A LAWYER. YOU HAVE NOT BEEN SUED.**

- U.S. District Court Judge Aida M. Delgado-Colon of the United States District Court, District of Puerto Rico (the "*Court*") has preliminarily approved the proposed settlement of a class action lawsuit brought under the Employee Retirement Income Security Act (often referred to as ERISA) (the "*Settlement*"). The *Settlement* will provide for payments to the *Plans* (as defined above) and for allocation of those payments to the accounts of members of the *Class* who had portions of their *Plan* accounts invested in Popular Inc. common stock in the Employer Stock Fund. The *Settlement* is summarized below.
- The *Court* has scheduled a hearing on final approval of the *Settlement* and on *Named Plaintiffs'* motion for attorneys' fees and expenses and for compensation to the *Named Plaintiffs*. That hearing before Judge Delgado-Colon has been scheduled for August 26, 2011, at 10:00 a.m. in the United States District Court, District of Puerto Rico, Clemente Ruiz-Nazario U.S. Courthouse, 150 Carlos Chardon Street, Hato Rey, P.R. 00918.
- Any objections to the *Settlement* or the motion for attorneys' fees and expenses and compensation to the *Named Plaintiffs* must be served in writing on *Co-Lead Counsel* for the *Class* identified on page 2 of this Notice.
- This Notice contains summary information with respect to the *Settlement*. The terms and conditions of the *Settlement* are set forth in a Class Action Settlement Agreement governing the *Settlement* with all *Defendants* (the "*Settlement Agreement*"). Capitalized and italicized terms used in this Notice but not defined in this Notice have the meanings assigned to them in the *Settlement Agreement*. The *Settlement Agreement*, and additional information with respect to this lawsuit and the *Settlement*, are available at www.berdonclaims.com.

**QUESTIONS? CALL 800-766-3330 TOLL-FREE, OR VISIT www.berdonclaims.com.
Do not call the Court or Popular with your questions.**

PLEASE READ THIS NOTICE CAREFULLY AND COMPLETELY. IF YOU ARE A MEMBER OF THE CLASS TO WHOM THIS NOTICE IS ADDRESSED, THE SETTLEMENT WILL AFFECT YOUR RIGHTS. YOU ARE NOT BEING SUED IN THIS MATTER. YOU DO NOT HAVE TO APPEAR IN COURT, AND YOU DO NOT HAVE TO HIRE AN ATTORNEY IN THIS CASE. IF YOU ARE IN FAVOR OF THE SETTLEMENT, YOU NEED NOT DO ANYTHING. IF YOU DISAPPROVE, YOU MAY OBJECT TO THE SETTLEMENT PURSUANT TO THE PROCEDURES DESCRIBED BELOW.

YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
YOU CAN DO NOTHING.	If the <i>Settlement</i> is approved by the <i>Court</i> and you are a member of the <i>Class</i> , you will not need to do anything to receive a payment. The portion, if any, of the <i>Settlement Fund</i> to be allocated to your <i>Plan</i> account will be calculated as part of the implementation of the <i>Settlement</i> .
NO ACTION IS NECESSARY TO RECEIVE PAYMENT.	If you are currently participating in one of the <i>Plans</i> and are a member of the <i>Class</i> , any share of the <i>Settlement Fund</i> to which you are entitled will be deposited into your <i>Plan</i> account. If you no longer are a <i>Plan</i> participant and are a member of the <i>Class</i> , any share of the net <i>Settlement Fund</i> to which you are entitled will be deposited in a <i>Plan</i> account that will be temporarily established for you, if necessary, and you will be notified of such account.
YOU MAY OBJECT TO THE SETTLEMENT BY AUGUST 12, 2011.	Plaintiffs will file motions for final approval of the <i>Settlement</i> and other matters before the <i>Court</i> no later than August 5, 2011 and will make those motions available at www.berdonclaims.com . If you wish to object to any part of the <i>Settlement</i> , you may (as discussed below) write to the <i>Court</i> and counsel identified on Page 2 of this Notice about why you object to the <i>Settlement</i> .
YOU MAY ATTEND A FAIRNESS HEARING TO BE HELD ON AUGUST 26, 2011.	If you submit a written objection to the <i>Settlement</i> to the <i>Court</i> and counsel before the <i>Court</i> -approved deadline, you may (but do not have to) attend the <i>Settlement Fairness Hearing</i> about the <i>Settlement</i> and present your objections to the <i>Court</i> . You may attend the <i>Settlement Fairness Hearing</i> even if you do not file a written objection, but you will only be allowed to speak at the <i>Settlement Fairness Hearing</i> if you file a written objection and file a Notice of Intention to Appear (as discussed below).

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice.
- The *Court* in charge of this case still has to decide whether to approve the *Settlement*. Payments will be made only if the *Court* approves the *Settlement* and that approval is upheld in the event of any appeals.

Further information regarding the litigation and this *Notice* may be obtained by contacting *Plaintiffs' Co-Lead Counsel*:

GAINEY & MCKENNA
 Attn: Thomas J. McKenna, Esq.
 440 Park Avenue South, 5th Floor
 New York, NY 10016
tjmckenna@gaineyandmckenna.com

HARWOOD FEFFER LLP
 Attn: Robert I. Harwood, Esq.
 488 Madison Avenue, 8th Floor
 New York, NY 10022
rharwood@hfesq.com

Plaintiffs' Co-Lead Counsel have established a toll-free phone number to receive your comments and questions: 800-766-3330.

**QUESTIONS? CALL 800-766-3330 TOLL-FREE, OR VISIT www.berdonclaims.com.
 Do not call the Court or Popular with your questions.**

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**QUESTIONS? CALL 800-766-3330 TOLL-FREE, OR VISIT www.berdonclaims.com.
Do not call the Court or Popular with your questions.**

This litigation (the “*Action*”) is a consolidated action in which *Plaintiffs* allege that Defendants breached fiduciary duties owed to the participants in and beneficiaries of the *Plans* under the Employee Retirement Income Security Act of 1974 (“ERISA”). Copies of the Complaint are available at www.berdonclaims.com.

SUMMARY OF SETTLEMENT

1. A *Settlement Fund* consisting of Eight Million Two Hundred Thousand Dollars (\$8.2 million) is being paid pursuant to the *Settlement Agreement*.

2. The net amount in the *Settlement Fund*, including interest, and after payment of any taxes, expenses, approved attorneys’ fees and costs, and compensation to the *Named Plaintiffs*, will be paid to the *Plans* and be allocated to *Class* members according to a *Plan of Allocation* to be approved by the *Court*.

Statement of Potential Outcome of the *Action*

3. As with any litigated case, the *Named Plaintiffs* would face an uncertain outcome if the *Action* were to continue against the *Defendants*. Continued litigation could result in a judgment or verdict greater or lesser than the recovery under the *Settlement Agreement*, or in no recovery at all or a judgment or verdict in favor of the *Defendants*.

4. Throughout this *Action*, the *Named Plaintiffs* and the *Defendants* have disagreed on both liability and damages, and they do not agree on the amount that would be recoverable even if the *Plaintiffs* were to prevail at trial. The *Defendants* have denied and continue to deny all claims and contentions alleged by the *Named Plaintiffs*, that they are liable at all to the *Class*, and that the *Class* or the *Plans* have suffered any damages for which the *Defendants* could be legally responsible. Nevertheless, the *Defendants* have taken into account the uncertainty and risks inherent in any litigation, particularly in a complex case such as this, and have concluded that it is desirable that the *Action* be fully and finally settled as to them on the terms and conditions set forth in the *Settlement Agreement*.

Statement of Attorneys’ Fees and Costs Sought in the *Action*

5. *Co-Lead Counsel* in the *Action* will apply to the *Court* for an order awarding to counsel for the *Named Plaintiffs*’ attorneys’ fees not in excess of 33¹/₃% of the amount recovered in the *Settlement*, plus reimbursement of out of pocket expenses. Any amount awarded will be paid from the proceeds of the *Settlement Fund*. Defendants take no position on this application and have no responsibility for payment of such fees and expenses.

What Will the *Named Plaintiffs* Get?

6. The *Named Plaintiffs* named in the *Action* will share in the allocation of the money paid to the *Plans* on the same basis and to the same extent as all other members of the *Class*, except that, in addition, the *Named Plaintiffs* may apply to the *Court* for a case contribution award of up to \$10,000 each, plus reimbursement of the reasonable costs and expenses directly relating to their representation of the *Class*. Any compensation awarded to *Named Plaintiffs* by the *Court* will be paid from the proceeds of the *Settlement Fund*.

Further Information

7. *Plaintiffs*’ *Co-Lead Counsel* have established a toll-free phone number to receive your questions: 800-766-3330. Further information regarding the *Action* and this *Notice* may also be obtained at www.berdonclaims.com.

BASIC INFORMATION

1. Why did I get this Notice package?

You or someone in your family are or may have been a participant in or beneficiary of one of the *Plans* and/or one of the *Plan's* predecessors or *Successors*.

The *Court* caused this Notice to be sent to you because, if you fall within that group, you have a right to know about the *Settlement* and all of the options available to you regarding the *Settlement*, before the *Court* decides whether to approve the *Settlement*. If the *Court* approves the *Settlement*, and after any objections and appeals are resolved, the net amount of the *Settlement Fund* will be paid to the *Plans* and then allocated among *Class* members according to a *Court*-approved *Plan of Allocation*. This Notice package describes the litigation, the *Settlement*, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The *Court* in charge of this case is the United States District Court for the District of Puerto Rico. The people who sued are called "*Named Plaintiffs*," and the people they sued are called "Defendants." The *Named Plaintiffs* in the *Action* are Margaret E. Walsh, Norma Montanez, and Steffani Dougan. The *Defendants* are: Popular Inc. ("Popular"), Banco Popular de Puerto Rico, Popular Board of Directors, Richard L. Carrión, Samuel T. Céspedes, Esq., Brunilda De Alvarez, Popular USA Benefits Committee, Ileana Gonzalez, Douglas Hachenburg, Pamela Kulnis, Roberta Kushen, Chris McFadden, Eduardo Negron-Mendez, Angelica Toro, Angeles Torres, Luis Torres Perez, Popular Puerto Rico Benefits Committee, Orlando Berges, Rosa del Carmen Vega, Ivelisse Fernandez, Jorge Junquera, Negron-Mendez, Marcelino Zayas, Popular, Inc. Corporate Investment Committee, Eda Aguilar, Richard Barrios, Manuel de Llovio, Michael McDonald, Alberto Paracchini, David Roehl, and Juan J. Bermúdez, María Luisa Ferré, Michael J. Masin, Manuel Morales Jr., Francisco M. Rexach Jr., Frederic V. Salerno, William J. Teuber Jr. and José R. Vizcarrondo (the last eight individuals constituting the "Outside Directors"). This *Settlement*, if approved by the *Court*, will resolve claims against all Defendants.

The legal action that is the subject of this Notice and the *Settlement* is known as *In re Popular Inc. ERISA Litigation*, MASTER FILE: 3:09-CV-01552-ADC, in the United States District Court for the District of Puerto Rico.

2. What is the Action about?

The *Action* claims that the Defendants were fiduciaries of the *Plans* and violated fiduciary duties of loyalty, care and prudence under ERISA that they owed to participants in the *Plans* regarding the *Plans'* investment of assets in the stock of Popular Inc. ("Popular"). In the *Complaint*, *Named Plaintiffs* asserted causes of action for the losses they allege were suffered by the *Plans* as the result of the alleged breaches of fiduciary duty by the *Defendants*.

Participants in the *Plans* were able to allocate their account balances among various investment funds. The investment funds included a fund primarily invested in Popular common stock ("Employer Stock Fund").

The *Complaint* in the *Action* alleges that Popular and other alleged fiduciaries of Popular's 401(k) defined contribution retirement plans violated ERISA by, among other things, (1) failing to prudently manage the assets of the *Plans*, (2) failing to provide required disclosures to the participants and beneficiaries of the *Plans* and (3) failing to properly appoint, monitor and inform other fiduciaries of the *Plans*. *Named Plaintiffs* allege that certain *Defendants* knew or should have known that Popular stock was not a prudent retirement investment during the *Class Period* and that the *Defendants* acted imprudently by not preventing further investment in Popular stock and not liquidating the *Plans'* Popular common stock holdings. *Named Plaintiffs* also assert that certain Defendants violated their alleged fiduciary duties by failing to provide *Plan* participants with complete and accurate information about Popular.

The Defenses in the Action

The *Defendants* deny that they have liability to the *Plans* or its participants or beneficiaries. If the litigation were to continue, the *Defendants* would raise numerous defenses to liability, including the following:

- They were not fiduciaries of the *Plans*, or, if they were fiduciaries, their fiduciary duties did not extend to the matters at issue in the *Action*;
- Popular common stock and the Employer Stock Fund were at all relevant times a prudent investment for the *Plans* and their participants;
- To the extent they were fiduciaries as to the matters at issue in the *Action*, *Defendants* fully and prudently discharged all of their fiduciary duties imposed on them by *ERISA*;
- Even if they failed to discharge one or more of their *ERISA* fiduciary duties, any such breach of fiduciary duty did not cause the losses alleged by the *Plaintiffs*; and
- The relief sought by the *Plaintiffs* in the *Action* is not permitted by *ERISA*.

The Action Has Been Aggressively Litigated

Counsel for the *Named Plaintiffs* have conducted an extensive investigation of the allegations in the *Action* and of the losses suffered by the *Plans*. In addition, through that investigation and through discovery of information in the *Action*, counsel for the *Named Plaintiffs* have obtained and reviewed more than 60,000 pages of documents, including *Plan* governing documents and materials, communications with *Plan* participants, internal Popular documents regarding the *Plans*, SEC filings, press releases, public statements, news articles and other publications, and other documents regarding the underlying corporate issues that the *Named Plaintiffs* allege made investments of the *Plans*' assets in the Employer Stock Fund imprudent.

Named Plaintiffs' counsel previously opposed a motion by the *Defendants* to dismiss the *Named Plaintiffs*' claims. The *Court* granted in part and denied in part that motion, including dismissing certain claims originally asserted by *Named Plaintiffs*.

Settlement Discussions

The proposed *Settlement* is the product of hard-fought, lengthy negotiations between Class Counsel and the *Defendants*' counsel. Throughout the negotiations, Class Counsel and *Defendants*' counsel were advised by individuals with expertise in the estimation of potential losses or damages in cases involving ERISA fiduciary liability.

3. Why is this case a class action?

In a class action, one or more plaintiffs, called "class representatives" or "*named plaintiffs*" sue on behalf of people who have similar claims. All of these people who have similar claims collectively make up the "Class" and are referred to individually as "Class Members." One court resolves the issues for all Class Members together. Because the wrongful conduct alleged by *Named Plaintiffs* in this *Action* affected a large group of people in a similar way, the *Named Plaintiffs* filed this case as a class action. U.S. District Judge Aida M. Delgado-Colon is presiding over this case.

4. Why is there a Settlement?

The *Court* has not reached any final decision in connection with *Named Plaintiffs*' claims against the *Defendants*. Instead, the *Named Plaintiffs* and the *Defendants* have each agreed to settle the case. In reaching the *Settlement*, they have avoided the cost and time of a trial.

As with any litigated case, the *Named Plaintiffs* would face an uncertain outcome if this case went to trial. On the one hand, continuation of the case against the *Defendants* could result in a verdict greater than the *Settlement*. On the other hand, continuing the case against them could result in a verdict for less money than *Named Plaintiffs* have obtained in the *Settlement* or no recovery at all. Based on these factors, the *Named Plaintiffs* and their attorneys in this case think the *Settlement* is best for all *Class* members.

5. How do I know whether I am part of the *Settlement*?

The proceeds of the *Settlement* will be allocated only to members of the *Class*, and then only according to a *Court*-approved *Plan of Allocation*.

You are a member of the *Class* if you fall within the definition of the *Class* approved by United States District Judge Aida M. Delgado-Colon:

All participants of the Popular, Inc. Puerto Rico Savings and Investment Plan (the “PR Plan”) and the Popular, Inc. U.S.A. 401(k) Savings & Investment Plan (the “USA Plan”) (collectively, the “Plans”) who held Employer Stock, as that term is defined in the Plans, in their individual accounts in the Plans at any time during the period starting on January 24, 2008 and ending on April 6, 2011, and as to each such Person, his, her, or its beneficiaries, alternate payees (including spouses of deceased Persons who were Plan participants), and Successors-In-Interest, but excluding the Defendants.

If you are a member of the *Class*, the amount of money you will receive, if any, will depend upon the *Court*-approved *Plan of Allocation*, described below in Question 8.

THE SETTLEMENT BENEFITS – WHAT YOU GET

6. What does the *Settlement* provide?

A *Settlement Fund* consisting of eight million two hundred thousand dollars (\$8,200,000.00) is being established in the *Action*. The net amount in the *Settlement Fund*, including interest, and after payment of, and establishment of reserves for, any taxes and *Court*-approved costs, fees, and expenses, including any *Court*-approved compensation to be paid to the *Named Plaintiffs*, will be paid to the *Plans* and, after payment of implementation expenses, the remaining amount will be allocated to the *Plan* accounts of members of the *Class* according to a *Plan of Allocation* to be approved by the *Court*. If necessary, a *Plan* account will be created for those members of the *Class* who no longer have *Plan* accounts.

All *Class* members and anyone claiming through them are deemed to fully release the “*Released Parties*” from “*Released Claims*.” The *Released Parties* include the *Defendants*, both individuals and entities, and their related entities, officers, directors, employees, attorneys, and agents. As a general matter, the *Released Claims* include all claims arising out of or in any way related to, directly or indirectly, any of the alleged matters during the *Class Period* that were or could have been asserted in the *Action*. This means, among other things, that *Class* members will not have the right to sue the *Released Parties* for anything related to the investment of *Plan* assets in Popular (or its predecessors’ or successors’) stock or to other alleged fiduciary misconduct during the *Class Period* concerning the *Plans*.

The above description of the operation of the *Settlement* is only a summary. The governing provisions are set forth in the *Settlement Agreements*, which may be viewed at www.berdonclaims.com or by contacting *Co-Lead Counsel* listed on page 2 above.

7. How much will my payment be?

Your share of the net proceeds of the *Settlement* paid into the *Plans* (the “*Net Proceeds*”), less the *Plan* expenses associated with implementing the *Plan of Allocation*, will depend on your alleged loss, compared to other *Class* members’ alleged losses, related to *Plan* investments in the Employer Stock Fund at any time during the period from January 24, 2008 to April 6, 2011. Each *Class* member’s share of the *Net Proceeds* will be determined using a *Court*-approved *Plan of Allocation*. Because the *Net Proceeds* are less than the total losses alleged by the *Class*, each *Class* member’s proportionate recovery will be less than his or her alleged loss. You are not responsible for calculating the amount you may be entitled to receive under the *Settlement*. This calculation will be done as part of the implementation of the *Settlement*.

In general, your proportionate share of the *Net Proceeds* will be calculated as follows:

- The “*Net Loss*” for each member of the *Class* will be calculated. *Net Loss* shall be equal to (a) the dollar amount of a participant’s *Plan* account balance invested in the Employer Stock Fund at the beginning of the *Class Period* plus the dollar amount added to a participant’s *Plan* account balance invested in the Employer Stock Fund during the *Class Period* minus (b) the dollar amount of a participant’s *Plan* account balance invested in the Popular Stock Fund at the end of the *Class Period* plus the dollar amount of all dispositions of the Popular Stock Fund during the *Class Period* credited to a participant’s *Plan* account balance.
- The *Net Losses* of the participants will be aggregated to yield the total of net losses for each *Plan*.
- The *Plan Trustee*, or third-party vendor selected by counsel for all parties, shall then calculate for each participant his or her proportionate share of the *Net Proceeds*.
- All participants whose recovery is less than or equal to ten dollars (\$10.00) shall be deemed to have a final share of the *Net Proceeds* of zero. The *Plan Trustee* or an agreed-to third-party vendor shall then recalculate the proportionate shares of the participants whose recovery was greater than \$10.00, so as to arrive at each such recovery. The sum of the final individual dollar recoveries must equal the *Net Proceeds*.

If you are entitled to a share of the net *Settlement Fund*, you will receive a statement showing the amount of your share.

8. How will I get my payment?

You do not need to file a claim. If you are a *Settlement Class* member entitled to receive a portion of the *Settlement* proceeds and you are a current *Plan* participant (including a former employee with a balance in your account), your portion will be deposited in your *Plan* account and invested according to the current investment allocation percentages applicable to new contributions. If you are a *Settlement Class* member entitled to receive a share of the *Settlement* proceeds but are no longer a *Plan* participant, an account will be temporarily established for you in the *Plan*, and you will be notified of the account and how to withdraw the proceeds. In that case, the proceeds will be allocated in accordance with the most recent election that the *Plan* has on file for you, or to the Qualified Default Investment Alternative, and you will have 90 days to provide instructions for distribution of the proceeds. If you do not provide instructions, the *Plan* will attempt to distribute the proceeds in accordance with your last payment instructions. If you are a former *Plan* participant and have not provided the *Plan* with your current address, please contact 866-905-8103, or contact (in writing) Class Counsel listed on Page 2 above.

9. When would I get my payment?

Payment is conditioned on several matters, including the *Court's* approval of the *Settlement* and such approval becoming final and no longer subject to any appeals to any court. Upon satisfaction of various conditions, the Net Proceeds will be paid to the *Plans* and allocated to the accounts of *Class* members pursuant to the Plan of Allocation (described in the Answer to Question No. 8, above) as soon as possible after final approval has been obtained for the *Settlement* (which, as noted, includes exhaustion of any appeals). Any appeal of the final approval may take several years. Any accrued interest on the *Settlement Fund* will be included in the amount paid to the *Plans* and allocated to the Plan accounts of *Class* members.

THERE WILL BE NO PAYMENTS IF THE SETTLEMENT AGREEMENT IS TERMINATED. The *Settlement Agreement* may be terminated on several grounds, including if (a) the *Court* does not approve or materially modifies the *Settlement* or (b) either as modified by the *Court* or as a result of reversal or modification on appeal, the *Court's Final Order* in the case does not satisfy certain terms of the *Settlement Agreement*. Should the *Settlement Agreement* be terminated, the *Action* will proceed between *Named Plaintiffs* and the *Defendants* as if the *Settlement Agreement* had not been entered into.

10. What if I do not want to be part of the Settlement?

You do not have the right to exclude yourself from the *Settlement*. The *Settlement Agreement* provides for certification of the *Settlement Class* as a non-opt-out class action under Federal Rule of Civil Procedure 23(b)(1) and the *Court* has preliminarily determined that the requirements of that rule have been satisfied. Thus, it is not possible for any *Settlement Class* member to exclude themselves from the *Settlement*. As a *Settlement Class* member, you will be bound by any judgments or orders that are entered in the *Action* for all claims that were or could have been asserted in the *Action* or are otherwise released under the *Settlement*. Although you cannot opt out of the *Settlement*, you can object to the *Settlement*. See the answer to Question 13 below.

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in the case?

The *Court* has appointed the law firm Harwood Feffer LLP and Gainey and McKenna as *Co-Lead Counsel* for *Named Plaintiffs* in the *Action*. The law firm of IZARD NOBEL LLP also worked on the case and the three law firms together are "*Class Counsel*." You will not be charged directly by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

12. How will the lawyers be paid?

Co-Lead Counsel will file a motion for the award of attorneys' fees and expenses. This motion will be considered at the *Fairness Hearing*. As previously described, *Co-Lead Counsel* have agreed to limit their application for an award of attorneys' fees to not more than 33¹/₃% of the *Settlement Fund*, plus reimbursement of expenses incurred in connection with the prosecution of the *Action*. This motion will be filed with the *Court* no later than August 5, 2011 and will be made available at www.berdonclaims.com after it is filed. This motion will be considered and decided by the *Court*.

13. How do I tell the Court if I do not like the Settlement?

If you are a *Class* member, you can object to the fairness, reasonableness or adequacy of the *Settlement Agreement*, to any term therein, to the *Plan of Allocation*, to the proposed award of attorneys' fees and expenses, or to any other matter relating to the *Settlement Agreement*. To object, you must file with the *Court* no later than August 12, 2011, a letter or other written filing, providing proof of membership in the *Settlement Class*, as well as legal support and/or evidence to support the objection. Be sure to include your name, address, telephone number, and signature. The address of the Clerk of the U.S. District Court for the District of Puerto Rico is Federico Degetau Federal Building, Room 150, 150 Carlos Chardón Street, San Juan, Puerto Rico 00918-1767.

Your written objection must be served on the following counsel and must be postmarked by no later than August 12, 2011:

CLASS COUNSEL

Thomas J. McKenna, Esq.
GAINNEY & MCKENNA
440 Park Avenue South, 5th Floor
New York, NY 10016

Robert I. Harwood, Esq.
HARWOOD FEFFER LLP
488 Madison Avenue, 8th Floor
New York, NY 10022

POPULAR'S COUNSEL

Joseph E. Neuhaus, Esq.
SULLIVAN & CROMWELL LLP
125 Broad Street
New York, NY 10004

OUTSIDE DIRECTOR DEFENDANTS' COUNSEL

Jay B. Kasner, Esq.
SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP
Four Times Square
New York, NY 10036

Any member of the *Settlement Class* who does not file a written objection complying with these requirements, or who does not file a written objection in a timely manner, will be deemed to have waived his or her objections. Objectors who timely file written objections may appear at the *Fairness Hearing* (described below) provided that they file a timely notice of their intent to appear (*see* answer to Question 16).

THE COURT'S FAIRNESS HEARING

The *Court* will hold a hearing to decide whether to approve the *Settlement* as fair, reasonable and adequate (the "Fairness Hearing"). You may attend the Fairness Hearing, and you may ask to speak, but you do not have to attend.

14. When and where will the Court decide whether to approve the Settlement?

The *Court* will hold a *Fairness Hearing* at 10:00 a.m. on August 26, 2011 at the United States District Court for the District of Puerto Rico, Clemente Ruiz-Nazario U.S. Courthouse, 150 Carlos Chardon Street, Hato Rey, P.R. 00918, in the Courtroom then occupied by United States District Judge Aida M. Delgado-Colon. At that hearing, the *Court* will consider whether the *Settlement* is fair, reasonable, and adequate. If there are objections, the *Court* will consider them. After the *Fairness Hearing*, the *Court* will decide whether to approve the *Settlement*. The *Court* will also rule on the motion for attorneys' fees and expenses. We do not know how long these decisions will take.

QUESTIONS? CALL 800-766-3330 TOLL-FREE, OR VISIT www.berdonclaims.com.
Do not call the Court or Popular with your questions.

15. Do I have to attend the hearing?

No. It is not necessary for you to attend the hearing even if you have filed an objection. If you would like to attend, you may do so at your expense. *Class Counsel* will answer questions Judge Delgado-Colon might have.

16. May I speak at the hearing?

If you are a *Class* member and have timely filed an objection, you may ask the *Court* for permission to speak at the *Fairness Hearing*. You may, *but are not required to do so*, pay your attorney to appear on your behalf. To seek permission to speak at the *Fairness Hearing*, you must send a letter or other paper called a "Notice of Intention to Appear at Fairness Hearing in *In re Popular Inc. ERISA Litigation*, MASTER FILE: 3:09-CV-01552-ADC." Be sure to include your name, address, telephone number, and your signature. A copy of your Notice of Intention to Appear must be sent to the attorneys listed in the Answer to Question No. 13, above, postmarked no later than August 12, 2011, and the original must be filed with the Clerk of the Court at the address listed in the Answer to Question No. 13, postmarked no later than August 12, 2011.

17. What happens if I do nothing at all?

If you do nothing and you are a *Class* member, you will participate in the *Settlement* of the *Action* as described above if the *Settlement* is approved.

18. Are there more details about the *Settlement*?

This Notice summarizes the proposed *Settlement*. The complete *Settlement* is set forth in the *Settlement Agreement*. You may obtain a copy of the *Settlement Agreement* by making a written request to the *Co-Lead Counsel* listed at page 10 above. Copies may also be obtained at www.berdonclaims.com. The *Settlement Agreement* and other documents were also filed with the Clerk of the Court and may be obtained from the Clerk's office directly.

Dated: July 6, 2011

BY ORDER OF THE COURT

In re Popular Inc. Erisa Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914

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