

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

KAREN M. BAUER, Individually and on Behalf of All Others Similarly Situated,

Plaintiff,

PRUDENTIAL FINANCIAL, INC., et al.

vs.

Defendants.

Civil Action No. 09-1120-JLL

NOTICE OF PENDENCY OF PROPOSED SETTLEMENT OF CLASS ACTION AND SETTLEMENT HEARING

TO: ALL PURCHASERS OF THE 9% JUNIOR SUBORDINATED NOTES OF PRUDENTIAL FINANCIAL, INC. ("PRUDENTIAL") (THE "NOTES") FROM JUNE 24, 2008 THROUGH MARCH 12, 2009, INCLUSIVE (THE "SETTLEMENT CLASS PERIOD"), PURSUANT TO AND/OR TRACEABLE TO A REGISTRATION STATEMENT (THE "REGISTRATION STATEMENT") AND PROSPECTUS (THE "PROSPECTUS") ISSUED IN CONNECTION WITH PRUDENTIAL'S JUNE 24, 2008 INITIAL PUBLIC OFFERING OF THE NOTES (THE "OFFERING") (THE "SETTLEMENT CLASS")

IMPORTANT

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF LITIGATION AND CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS.

Purpose of Notice and Description of Litigation

The purpose of this Notice is to inform you of a proposed settlement of the Litigation as described below. This Notice describes rights you may have under the proposed settlement and what steps you may take in relation to this Litigation. This Notice is not an expression of any opinion by the Court as to the merits of any of the claims or defenses asserted by any party in this Litigation, or the fairness or adequacy of the proposed settlement. This Notice incorporates by reference the definitions set forth in the Parties' Stipulation of Settlement (the "Settlement Stipulation"), and all capitalized terms used, but not defined herein, shall have the same meanings as in the Settlement Stipulation.

Notice of Settlement Hearing

Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and the August 4, 2011 Order of the United States District Court, District of New Jersey, a hearing will be held on November 14, 2011, at 10:30 a.m., before the Honorable Jose L. Linares, United States District Court Judge, United States District Court, District of New Jersey, Courtroom 5D, Martin Luther King, Jr. Federal Building & U.S. Courthouse, 50 Walnut Street, Newark, New Jersey 07101 (the "Settlement Hearing") to determine: (1) whether the settlement of the Litigation in the amount of \$16,500,000, plus any accrued interest thereon (the "Settlement") should be approved as fair, reasonable, and adequate to the Settlement Class; (2) whether the proposed Plan of Allocation is fair, reasonable, and adequate; (3) whether the motion of IZARD NOBEL LLP as Lead Counsel for the Settlement Class ("Lead Counsel") for an award of attorneys' fees, costs and expenses (the "Fee and Expense Award") and for an award to Lead Plaintiff relating to his representation of the Settlement Class (the "Lead Plaintiff's Expense Award") should be approved; and (4) whether the Litigation and claims of the Settlement Class Members against Defendants should be dismissed on the merits and with prejudice as set forth in the Settlement Stipulation filed with the Court. To share in the distribution of the Settlement Fund, Settlement Class Members must establish their rights and submit the Proof of Claim and Release form accompanying this Notice on or before **December 23, 2011**. If you desire to be excluded from the Settlement Class or to object to the Settlement, the Fee and Expense Award and/or Lead Plaintiff's Expense Award, you must submit a request for exclusion or file your objection by **October 31, 2011**.

Summary of the Settlement

Recovery to the Settlement Class: The aggregate amount of the Settlement Fund proposed to be distributed to the Class is \$16,500,000 plus interest earned thereon and less the costs of notice to the Settlement Class, costs of administration of the Settlement Fund, taxes and tax expenses associated with the Settlement Fund, and any amounts awarded by the Court to Lead Counsel for attorneys' fees and reimbursement of costs and expenses, and any amounts awarded by the Court to Lead Plaintiff. Lead Counsel estimate that the average recovery per Note under the Settlement is approximately \$.45, before deduction of Court-awarded attorneys' fees and expenses. A Settlement Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by the authorized claimant's claim as compared to the total recognized claims of all Settlement Class Members who submit acceptable Proofs of Claim and Releases. Individual Settlement Class

Members' actual recoveries under the Settlement will vary, depending upon when the Notes were purchased, the amount they paid for their Notes, the amount of proceeds they received, if any, if the Notes were sold, when the Notes were sold, and the number of claimants who actually file Proofs of Claim and Releases.

Potential Outcome of the Case: The Parties disagree on both liability and damages and do not agree on the amount of damages per Note that would be recoverable if Lead Plaintiff were to have prevailed on each claim alleged. Among other things, the Parties do not agree on (i) whether Defendants made any misrepresentations or omissions; (ii) whether any Defendants were negligent with respect to any alleged misrepresentations or omissions; (iii) whether any alleged damages are attributable to the alleged misrepresentations and omissions; (iv) whether any drops in the price of the Notes during or after the Settlement Class Period are attributable to the alleged misrepresentations and omissions; (v) the appropriate damages model for measuring the alleged damages attributable to the alleged misrepresentations and omissions; and (vi) the extent to which external factors (such as industry conditions and market forces) influenced the trading price of the Notes at various times during or after the Settlement Class Period.

Attorneys' Fees, Costs and Expenses Sought: As compensation for their time and risk in prosecuting the Litigation on a contingent fee basis, Lead Counsel intend to apply to the Court for an award of attorneys' fees not to exceed twenty-five percent (25%) of the Settlement Fund (including interest accruing on the Settlement Fund). Lead Counsel also intend to seek reimbursement of costs and expenses incurred on behalf of the Settlement Class not to exceed \$196,000. Lead Counsel will also apply for an award to Lead Plaintiff not to exceed \$5,000 relating to Lead Plaintiff's representation of the Settlement Class. If the amounts requested by Lead Counsel for fees, costs and expenses are approved by the Court, the average cost per Note for these amounts will be approximately \$0.12.

Identification of Lawyers' Representatives: The following representative of Lead Counsel is available to answer questions from Settlement Class Members about any matter contained in this Notice: Jeffrey S. Nobel of IZARD NOBEL LLP, 29 South Main Street, Suite 215, West Hartford, CT 06107, Tel.: (860) 493-6292, email: jnobel@izardnobel.com.

Reasons for Settlement: Lead Counsel believe that the claims asserted in the Litigation have merit and that the information obtained and examined by Lead Counsel supports the claims asserted. However, Lead Counsel recognize that there are significant risks, uncertainty, and expense in proceeding with the Litigation through trial and any appeals. Lead Counsel are also mindful of the inherent problems of proof under, and possible defenses to, federal securities law claims. Lead Counsel believe that the Settlement confers substantial benefits upon the Settlement Class and each Settlement Class Member. Lead Counsel have determined that a recovery now will provide an immediate benefit to Settlement Class Members, which is superior to the risk of proceeding with the Litigation. As a result of these considerations, and based upon extensive arms-length settlement negotiations, Lead Plaintiff and Lead Counsel have determined that the Settlement is in the best interests of Lead Plaintiff and the Settlement Class and each Settlement Class Member.

Defendants' Denial of Liability: Defendants have denied and continue to deny each and all of the claims and contentions alleged by Lead Plaintiff on behalf of the Settlement Class and expressly deny that Defendants committed acts or omissions that subject them to any liability, including under the federal securities laws. Nonetheless, Defendants have concluded that further conduct of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in the Settlement Stipulation in order to limit further expense, inconvenience and distraction, and to dispose of the burden of protracted litigation. Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Litigation.

Defendants have, therefore, determined that it is desirable and beneficial to them that the Litigation be settled in the manner and upon the terms and conditions set forth in the Settlement Stipulation. Defendants enter into the Settlement Stipulation without in any way acknowledging any fault, liability, or wrongdoing of any kind. There has been no adverse determination by any court or otherwise against any of Defendants on the merits of the claims asserted by Lead Plaintiff.

The Litigation

The Litigation was commenced in March 2009 as a class action under Rule 23 of the Federal Rules of Civil Procedure in the United States District Court, District of New Jersey. By Order dated May 22, 2009, the Court appointed Paul J. Perry, Trustee of the Paul J. Perry Revocable Trust as Lead Plaintiff, and approved Lead Plaintiff's selection of IZARD NOBEL LLP as Lead Counsel and LITE DEPALMA GREENBERG LLC (formerly known as LITE DEPALMA GREENBERG & RIVAS, LLC) as Liaison Counsel. On July 21, 2009, Lead Plaintiff filed its Consolidated Class Action Complaint (the "Complaint").

The Complaint asserted claims against Defendants for alleged violations of Sections 11 and 15 of the Securities Act of 1933 on behalf of all persons who purchased the Notes pursuant to and/or traceable to the Registration Statement and the Prospectus issued in connection with the Offering. The Complaint alleged that Defendants sold the Notes in the Offering by means of a false and misleading Registration Statement and Prospectus which, *inter alia*, contained material misrepresentations and omissions concerning (i) the Company's involvement in and/or the existence of a contingent liability arising from the February 2008 collapse of the market for action rate securities (the "ARS Claims"), (ii) the amount of Prudential's liability in connection with its annuity obligations and deferred acquisition costs (the "Annuity Claims"), and (iii) the amount of Prudential's "other than temporary impairments" (the "OTTI Claims").

On September 21, 2009, Defendants served motions to dismiss the Complaint; Lead Plaintiff served his opposition to Defendants' motions to dismiss on December 8, 2009; and, on January 26, 2010, Defendants served reply briefs, and the Parties filed all briefs and papers previously served in connection with the motions to dismiss. Lead Plaintiff filed a Sur-Reply brief February 5, 2010. The Prudential Defendants argued that Prudential complied with all of its disclosure obligations under the securities laws and that the charges it recorded complied with applicable generally accepted accounting principles ("GAAP") and Prudential's own publicly disclosed policies and methodologies. The Prudential Defendants also argued that the alleged misstatements were not material, particularly to debt investors. With respect to the OTTI Claims and Annuity Claims, the Prudential Defendants argued that Plaintiffs were unable to attribute any drop in the Notes' price to the alleged misrepresentations in order to establish loss causation. With respect to the ARS Claims, the Prudential Defendants argued that, as of the Offering, Plaintiffs alleged no facts that would give rise to a disclosure obligation prior to the time the matters were disclosed. The Prudential Defendants also argued that Plaintiffs failed to allege any liability of the individual defendants under Section 11 or Section 15 of the Securities Act of 1933. The Underwriter Defendants' motion joined in and incorporated by reference the arguments in the Prudential Defendants' briefing that pertained to them with the additional argument that the Plaintiffs failed to allege any facts to support their claims against the Underwriter Defendants.

On June 29, 2010, the Court issued an Opinion which, *inter alia*, denied Defendants' motions to dismiss with respect to the Annuity Claims and the OTTI Claims, and granted Defendants' motions to dismiss the ARS Claims, without prejudice and with leave to replead.

On July 19, 2010, Lead Plaintiff filed its Amended Consolidated Class Action Complaint (the "Amended Complaint"), which, *inter alia*, added additional allegations concerning the ARS Claims, but did not amend the Annuity Claims or the OTTI Claims. The Parties then engaged in motion practice concerning the sufficiency of the allegations underlying the ARS claims in the Amended Complaint. Defendants served motions to dismiss the Amended Complaint on September 2, 2010; Lead Plaintiff served his opposition to Defendants' motions to dismiss on October 18, 2010; and, on November 17, 2010, Defendants served reply briefs, and filed all briefs and papers previously served in connection with the motions to dismiss.

As of the May 3, 2011 mediation referred to herein, the Court had not yet issued a decision on Defendants' motions to dismiss the ARS Claims in the Amended Complaint.

The Proposed Settlement

The Settlement was the result of arms-length settlement negotiations. In March 2011, the Parties agreed to explore a settlement of the Litigation. On April 7, 2011, Plaintiffs and the Prudential Defendants participated in a settlement conference at the Boston, Massachusetts offices of Goodwin Procter LLP in which counsel for the Prudential Defendants made a factual and legal presentation responding to allegations in the Amended Complaint and presenting the Prudential Defendants' analysis of the lack of damages to the Settlement Class. On May 3, 2011, Plaintiffs and the Prudential Defendants participated in an approximately 12-hour mediation session facilitated by Professor Eric D. Green in Boston, Massachusetts, during which, *inter alia*, additional factual and legal presentations were made by counsel concerning the Parties' respective positions and evidence regarding alleged material misrepresentations and omissions of fact and damages. The mediation resulted in an agreement-in-principle to settle the Litigation among all Parties, and Plaintiffs and the Prudential Defendants executed a Memorandum of Understanding. On May 4, 2011, counsel for the Parties informed the Court that a settlement had been reached. On August 5, 2011, counsel for the parties executed the Settlement Stipulation, and on August 4, 2011, the Court, *inter alia*, preliminarily approved the fairness, reasonableness and adequacy of the Settlement, preliminarily certified the Settlement Class, and scheduled the Settlement Hearing.

Prior to the execution of the Settlement Stipulation, Lead Counsel conducted an extensive factual and legal investigation in connection with the claims and allegations asserted in the Litigation, including (i) review and analysis of Prudential's press releases and public filings with the Securities and Exchange Commission and Defendants' published conference call with securities analysts and investors; (ii) review and analysis of certain Prudential internal documents produced to Lead Counsel by the Prudential Defendants concerning the claims and allegations in the Amended Complaint; (iii) research of the applicable law with respect to the claims asserted in the Litigation and the potential defenses thereto; (iv) interviews with certain Prudential employees concerning the factual matters underlying the alleged misrepresentations and omissions; (v) consultation with an accounting expert concerning the alleged misrepresentations and omissions; (vi) review and analysis of the trading activity of the Notes during the Settlement Class Period, including the potential causes of the trading activity of the Notes; and (vii) consultation with experts concerning the potential damages that may have been suffered by Lead Plaintiff and the Settlement Class.

Under the terms of the Settlement Stipulation, Prudential has agreed to make payment of \$16,500,000 in cash to create a Settlement Fund. After payment of (i) the costs of notice, and the costs of administering and distributing the Settlement Fund, including any taxes payable or tax expenses and (ii) the attorneys' fees and reimbursement of costs and expenses awarded by the Court, and any amounts awarded by the Court to Lead Plaintiff, the balance of the Settlement Fund, together with any interest earned thereon (the "Net Settlement Fund"), shall be distributed as set forth herein.

Under the terms of the Settlement Stipulation, you will release all "Released Claims" (as defined below) against the "Released Persons" (as defined below).

"Released Claims" means all claims, demands, rights, liabilities, obligations, actions, and causes of action of every nature and description whatsoever, known or unknown (including "Unknown Claims," as defined below), whether in contract, tort, equity or otherwise, whether or not concealed or hidden, asserted or that might have been asserted in this

or any other forum or proceeding, including, without limitation, claims for negligence, gross negligence, indemnification, breach of duty of care and/or breach of duty of loyalty, fraud, misrepresentation, breach of fiduciary duty, negligent misrepresentation, unfair competition, insider trading, professional negligence, mismanagement, corporate waste, breach of contract, or violations of any federal, state, or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, domestic or foreign, by or on behalf of Lead Plaintiff, the Settlement Class, or any Settlement Class Member against the Released Persons that concern, arise out of, refer to, are based upon, or are related in any way to any of the subject matters, allegations, transactions, facts, matters, occurrences, representations, statements, or omissions alleged, which were or could have been set forth or referred to in the Amended Complaint.

“Unknown Claims” means any Released Claim which Lead Plaintiff or any Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff shall expressly waive and each Settlement Class Member shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights and benefits of California Civil Code §1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Lead Plaintiff shall expressly waive, and each Settlement Class Member shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States or any foreign country or jurisdiction, or principle of common law, which are similar, comparable or equivalent to California Civil Code §1542. Lead Plaintiff and Settlement Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Lead Plaintiff shall expressly and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiff acknowledges, and the Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

“Released Persons” means Defendants and their respective Related Parties. “Related Parties” means each of the Defendants, Defendants’ past or present directors, officers, employees, partners, principals, trustees, agents, underwriters, controlling shareholders, successors, assigns, insurance carriers, parents, subsidiaries, affiliates, attorneys, any entity in which any Defendants and/or any member(s) of Defendants’ immediate family has or have a controlling interest, accountants, auditors, banks, investment banks or investment bankers, advisors, personal or legal representatives, any members of their immediate families, any partnership in which any of the Defendants is a partner, or any trust of which any Defendant is the settlor or which is for the benefit of any Defendant and/or member(s) of the Defendant’s family.

Participation in the Class

If you are one of the Persons falling within the definition of the Settlement Class (a “Settlement Class Member”), you will remain a Settlement Class Member unless you elect to be excluded from the Settlement Class by the procedure described below. All Settlement Class Members who do not request to be excluded from the Settlement will be bound by any judgment entered in the Litigation pursuant to the

Settlement Stipulation, whether or not that Person files a Proof of Claim and Release and whether or not that Person receives a distribution from the Net Settlement Fund. If you wish to remain a Settlement Class Member, you need do nothing (other than timely file a Proof of Claim and Release in order to participate in the distribution of the Net Settlement Fund) and your rights will be represented by Lead Counsel. If you wish, you may enter a legal appearance individually or through your own counsel at your own expense.

TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY AND VALIDLY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE. The Proof of Claim and Release (“Proof of Claim and Release”) must be postmarked and delivered to the Claims Administrator at the address below on or before **December 23, 2011**. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim and Release, you will be forever barred from receiving any payments from the Net Settlement Fund, but will in all other respects be bound by the Settlement and the Judgment. If you do submit a valid and timely Proof of Claim and Release, and you are a Settlement Class Member, you will be eligible to share in the Net Settlement Fund.

Plan of Allocation

The Net Settlement Fund shall be distributed pursuant to the calculation of “Recognized Loss” set forth in the Plan of Allocation described below. Only Settlement Class Members who submit a valid, timely Proof of Claim and Release (“Authorized Claimants”) and who have a Recognized Loss under the Plan of Allocation will receive a distribution from the Net Settlement Fund.

To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant’s entire Recognized Loss. However, if the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage that each Authorized Claimant’s Claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

However, if the Authorized Claimant made a profit during the Settlement Class Period on a sale of the Notes purchased during the Settlement Class Period (*i.e.*, the sales price per Note during the Settlement Class Period was higher than the purchase price per Note), then the Recognized Loss for those Notes shall be zero, and any such profits will be offset against the Recognized Loss, if any, from any other Settlement Class Period purchases of the Notes. In no event shall there be any Recognized Loss arising out of transactions by Settlement Class Members in which the Notes were “sold short.”

For purposes of calculating an Authorized Claimant’s Recognized Loss, Settlement Class Period sales of the Notes will be matched against and offset the most recent prior Settlement Class Period purchases of the Notes on a first-in, first-out (“FIFO”) basis. As used below, the term “Deemed Purchase Price” shall mean the lesser of \$25.00 (the Offering price per Note) or the actual purchase price per Note.

The amount of an Authorized Claimant’s Recognized Loss shall be determined as follows:

- (a) For each Note *purchased between June 24, 2008 and October 8, 2008, inclusive*, and
 - (i) sold on or before October 8, 2008, the Recognized Loss per Note shall be the lesser of (1) the difference between the Deemed Purchase Price and the sale price, or (2) \$0.10.
 - (ii) sold between October 9, 2008, and February 4, 2009, inclusive, the Recognized Loss per Note shall be lesser of (1) the difference between the Deemed Purchase Price and the sale price, or (2) \$1.19.
 - (iii) sold between February 5, 2009, and March 12, 2009, inclusive, or that continued to be held as of the close of trading on March 12, 2009, the Recognized Loss per Note shall be the lesser of (1) the difference between the Deemed Purchase Price and the sale price, or (2) \$1.40.

(b) For each Note *purchased between October 9, 2008 and February 4, 2009, inclusive*, the Recognized Loss per Note shall be lesser of (1) the difference between the Deemed Purchase Price and the sale price, or (2) \$0.21.

(c) For each Note *purchased between February 5, 2009, and March 12, 2009, inclusive*, the Recognized Loss per Note shall be lesser of (1) the difference between the Deemed Purchase Price and the sale price, or (2) \$0.10.

The Court has reserved jurisdiction to allow, disallow or adjust the claim of any Settlement Class member on equitable grounds.

Exclusion from the Class

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue Defendants or the Released Persons, you may, if you so desire, request to be excluded from the Settlement Class. Defendants may withdraw from and terminate the Settlement if putative Settlement Class Members who purchased in excess of a certain amount of the Notes exclude themselves from the Settlement Class.

To exclude yourself from the Settlement Class, you must mail a written request to:

Prudential Financial Note Litigation
Claims Administrator
c/o FRG Information Systems Corp.
P.O. Box 460, Peck Slip Station
New York, NY 10272

The request for exclusion must state: (1) your name, address, and telephone number; (2) the name and address of the Person (or nominee) in whose name the Notes were registered; (3) your purchases and sales of the Notes made during the Settlement Class Period, including the dates, amounts of securities and price for each such purchase or sale; and (4) that you wish to be excluded from the Settlement Class. Your exclusion request must be postmarked on or before **October 31, 2011**. All Persons who submit valid and timely requests for exclusion in the manner set forth in this paragraph shall have no rights under the Settlement Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Settlement Stipulation or the Judgment.

All Persons falling within the definition of the Settlement Class who do not request exclusion in the manner set forth in this paragraph shall be members of the Settlement Class and shall be bound by the Settlement Stipulation and Judgment, whether or not they submit valid Proofs of Claim and Release or receive any distribution from the Net Settlement Fund.

Dismissal and Releases

If the proposed Settlement is approved, the Court will enter a Judgment (the "Judgment") with prejudice (as set forth in the Settlement Stipulation) dismissing all Released Claims against the Released Persons (as defined above and in the Proof of Claim and Release which accompanies this Notice), and Settlement Class Members may not thereafter assert any of such claims against the Released Persons. The Judgment will provide that the fact of the Settlement or the terms thereof may not be used against Released Persons in any action or proceeding, except to enforce the Judgment.

The Judgment will also provide that all Settlement Class Members who do not validly and timely request to be excluded from the Settlement Class shall be deemed to have released and forever discharged all Released Claims against all Released Persons.

Conditions for Settlement

The Settlement is conditioned upon, among other things: (1) entry of the Judgment by the Court as provided for in the Settlement Stipulation, and (2) expiration of the time to appeal from the Judgment. If any one of the conditions described in the Settlement Stipulation is not met, the Settlement Stipulation might be terminated and, if terminated, will become null and void, and shall not prejudice the rights, claims, defenses or positions of any Party thereto.

The Right to Be Heard at the Hearing

If you are a Settlement Class Member who has not validly and timely requested to be excluded from the Settlement Class, you may object to any aspect of the Settlement (including the Plan of Allocation, the Fee and Expense Motion, or the Lead Plaintiff's Expense Motion). Your objection must demonstrate your membership in the Settlement Class including (a) your name, address and telephone number; (b) the number of Notes you purchased and sold during the Settlement Class Period, and the dates of such transactions; and (c) a statement of the reasons for your objection. Your objection must be served no later than October 31, 2011, upon the Court, Lead Counsel and counsel for Defendants, at the following addresses:

Clerk of the United States District Court
District of New Jersey
Martin Luther King, Jr. Federal Building & U.S. Courthouse
50 Walnut Street,
Newark, New Jersey 07101

Jeffrey S. Nobel
IZARD NOBEL LLP
29 South Main Street, Suite 215
West Hartford, CT 06107

Deborah S. Birnbach
GOODWIN PROCTER LLP
Exchange Place
53 State Street
Boston, MA 02109

Only members of the Settlement Class who have properly submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

Examination of Papers

This Notice is a summary notice and does not describe all of the details of the Settlement Stipulation. For full details of the matters discussed in this Notice, you may review the Settlement Stipulation filed with the Court, which may be inspected at the office of the Clerk of the United States District Court, District of New Jersey, Martin Luther King, Jr. Federal Building & U.S. Courthouse, 50 Walnut Street, Newark, New Jersey, during business hours, or viewed on the website of Lead Counsel (www.izardnobel.com). If you have any questions about the Settlement of the Litigation, you may contact Lead Counsel as set forth above or your own personal attorney.

INQUIRIES SHOULD NOT BE DIRECTED TO THE COURT OR TO THE CLERK OF THE COURT OR TO DEFENDANTS

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES:

If you purchased the Notes during the Settlement Class Period as nominee for a beneficial owner, then, within fourteen (14) days after you receive this Notice, you must either: (1) send a copy of this Notice and the Proof of Claim and Release by first class mail to all such Persons, or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Prudential Financial Note Litigation
Claims Administrator
c/o FRG Information Systems Corp.
P.O. Box 460, Peck Slip Station
New York, NY 10272

If you choose to mail the Notice and Proof of Claim and Release yourself, you may obtain (without cost to you) as many additional copies of these documents as you will need to complete the mailing from the Claims Administrator.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred in connection with forwarding the Notice and Proof of Claim and Release, and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim and Release.

Dated: August 25, 2011

By Order of the United States District Court
District of New Jersey