

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

Securities and Exchange Commission v.
A.C.L.N., Ltd., et al.
Case No. 1:02-CV-7988 (LAP)

**DISTRIBUTION PLAN NOTICE TO ACLN INVESTORS OF THE ACLN DISTRIBUTION FUND
ESTABLISHED BY THE SECURITIES & EXCHANGE COMMISSION (“SEC”)**

TO: Persons who purchased A.C.L.N., Ltd. (“ACLN”) common stock from June 15, 1999 through March 18, 2002, inclusive (the “SEC Action Claims Period”).

If you previously submitted a Proof of Claim in connection with the settlement obtained in *Teachers’ Retirement System of Louisiana v. A.C.L.N., Ltd., et al.*, Master File No. 01-CV-11814-LAP (“ACLN Class Action”) and your claim was approved, you do not need to submit a claim now for your approved transactions during the Class Action Claims Period of June 29, 2000 to March 18, 2002. However, as explained below, to be eligible to recover for transactions occurring in the additional period from June 15, 1999 through June 28, 2000, you must submit a complete and valid Proof of Claim Form and supporting documentation.

Also, if you purchased ACLN common stock during the SEC Action Claims Period and either (a) you submitted a Proof of Claim Form to participate in the ACLN Class Action settlement **but your claim was denied in whole or in part**, or (b) you did not submit a Proof of Claim Form in the ACLN Class Action, you must submit a completed Proof of Claim Form with the necessary documentation so that it is **postmarked no later than September 16, 2013** (the “Claims Bar Date”) to be eligible to participate in the ACLN Distribution Fund. Class Action Claims

I. Purpose of this Notice.

The purpose of this Distribution Plan Notice is to inform you that you may be entitled to share in the proceeds of the ACLN Distribution Fund described herein. Unless you fall within the exception described in Section III below, you must file a Proof of Claim Form in accordance with the steps in this Distribution Plan Notice to be potentially eligible to share in the ACLN Distribution Fund. Proof of Claim Forms together with this Distribution Plan Notice are being mailed to all Potentially Eligible Claimants who purchased ACLN common stock during the SEC Action Claims Period (June 15, 1999 through March 18, 2002) and who can be identified by The Garden City Group, Inc., the Court-appointed Distribution Agent (“Distribution Agent”). Copies of this Distribution Plan Notice and the Proof of Claim Form are also available on the ACLN Distribution Fund’s website at www.ACLNSECDistributionFund.com and through the SEC’s website at www.sec.gov. Moreover, as explained in greater detail below, if you submitted an eligible claim that was previously approved in the ACLN Class Action, and you do not have any additional purchases of ACLN common stock, you do not need to submit another Proof of Claim Form to participate in the ACLN Distribution Fund.

Please Note: Receipt of this Notice does not mean you have an eligible claim. The Distribution Agent does not have information regarding your potentially eligible transactions, unless you filed an approved claim in the ACLN Class Action.

NOTE TO INSTITUTIONAL FILERS. Claims with 100 or more transactions or on behalf of 20 or more different accounts must be submitted electronically and in the required format. To obtain the mandatory electronic filing requirements and file layout, you may visit the ACLN Distribution Fund’s website at www.ACLNSECDistributionFund.com or you may e-mail the Distribution Agent at eClaim@gcginc.com. Any submission not in accordance with the required electronic filing format may be rejected. Proof of authority to submit a Proof of Claim Form on behalf of any managed accounts must be submitted with any Proof of Claim Forms for such accounts. If you intend to file electronically, you can submit and track the history of your claims by using our secure website, GCG ICE™ (www.gcgice.com), which is available 24/7. GCG ICE™ allows institutional investors to upload electronic claims and documents, track the history and status of submissions, view claim rejections and instructions as to how to fix them, update contact information, and receive important status alerts via e-mail.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. IF YOU SATISFY THE ELIGIBILITY CRITERIA DESCRIBED BELOW, YOU MAY BE ENTITLED TO A RECOVERY FROM THE ACLN DISTRIBUTION FUND. THIS NOTICE CONTAINS IMPORTANT INFORMATION REGARDING YOUR ABILITY TO SHARE IN THE ACLN DISTRIBUTION FUND.

II. Background.

On October 8, 2002, the SEC filed a civil action in the United States District Court for the Southern District of New York (the “Court”), against: Defendants ACLN, Abderrazak “Aldo” Labiad, Joseph J.H. Bisschops, Alex de Rider, BDO International (Cyprus), Minas Ioannou, Christakis Ioannou, Emerald Sea Marine, Inc., Pearlrose Holdings International, S.A., and Scott Investments S.A.; and Relief Defendants Scandinavian Car Carriers A/S, Sergui, Ltd., Pandora Shipping, S.A., DCC, Ltd., Maverick Commercial, Inc., and Westbound Development Corp. ACLN, a Cyprus corporation operating from Antwerp, Belgium, shipped used vehicles from Europe to Africa, and claimed to sell new cars in North and West African countries. ACLN and the other defendants violated numerous provisions of the federal securities laws by fraudulently misrepresenting sales revenue and assets.

On June 24, 2003, this Court entered an order to establish a Court Registry Investment Service (“CRIS”) account for the case (the “CRIS Account”). In that order, the Court directed that “all funds received and to be received” in the matter should be deposited into the CRIS Account, and that those funds, together with any interest and income earned thereon, shall be held in the account until further order. The Court entered Final Judgments against each of the defendants and relief defendants. Final Judgment

against Defendants BDO International, Minas Ioannou and Christakis Ioannou was entered on October 18, 2002; Final Judgment against Defendant Abderrazak "Aldo" Labiad was entered on September 16, 2004; Final Judgment against Relief Defendant Scandinavian Car Carriers A/S was entered on September 16, 2004; Final Judgment against ACLN was entered on September 16, 2004 and Final Judgment against Defendants Joseph J.H. Bisschops, Emerald Sea Marine, Inc., Pearlrose Holdings International, S.A., and Scott Investments, S.A. and Relief Defendants Sergui, Ltd., Pandora Shipping, S.A., DCC Limited, Maverick Commercial, Inc., and Westbound Development Corp., was entered on November 17, 2005.

In total, the Court entered judgments against the defendants in excess of \$122 million in disgorgement, of which over \$94 million remains outstanding. The SEC successfully recovered \$28,265,287.11. These funds have been deposited into two different interest-bearing CRIS accounts numbered 1:02-cv-07988-1 and 1:02-cv-07988-2, under the case name designation "SEC v. A.C.L.N. Ltd., *et al.*" All payments made into the two CRIS accounts arise out of the same underlying action and the same violations of the securities laws, and it is intended that all payments in this action be combined for purposes of distribution. The funds on deposit in the two CRIS accounts are collectively referred to herein as the "ACLN Distribution Fund."

The final judgments entered in these matters provided that the SEC may propose a plan to distribute the funds in the ACLN CRIS Account, subject to the Court's approval.

On March 22, 2012, the SEC submitted its Motion for Appointment of a Distribution Agent. On March 28, 2012, this Court granted the SEC's motion and entered an Order for Appointment of Distribution Agent ("Order"). The Garden City Group, Inc. was appointed to serve as the Distribution Agent and ordered to assist in developing a Distribution Plan to distribute monies in the ACLN Distribution Fund to investors harmed by the violations alleged in the complaint. The Order also authorizes the Distribution Agent to oversee the administration of claims and the distribution of the ACLN Distribution Fund pursuant to the terms of the Distribution Plan, subject to oversight by the Court.

The Distribution Agent, in consultation with the SEC staff, prepared the Distribution Plan, and the SEC submitted the Distribution Plan to the Court for its approval. The Court approved the Plan of Distribution on April 1, 2013.

III. Previously Approved Claimants in the ACLN Class Action.

The ACLN Distribution Fund arose from the SEC litigation and is separate and independent from the settlement fund previously established in the ACLN Class Action. Like the class action settlement, the ACLN Distribution Fund relates to purchases of ACLN common stock, but the SEC Action Claims Period for the ACLN Distribution Fund (June 15, 1999 through March 18, 2002) is longer and includes the class period in the ACLN Class Action (June 29, 2000 to March 18, 2002). Therefore, if you submitted a Proof of Claim Form in connection with a claim that was approved by the Court in the ACLN Class Action, you are an automatically Eligible Claimant and you do not need to submit another Proof of Claim Form for those same purchases in order to participate in the ACLN Distribution Fund. If you engaged in additional purchases of ACLN common stock during the SEC Action Claims Period, including the periods of June 15, 1999 through June 28, 2000, that were not approved by the Court in the ACLN Class Action, you must submit a Proof of Claim Form to be eligible to recover for those purchases.

IV. Eligibility Criteria and the Distribution Formula.

To qualify for a payment from the ACLN Distribution Fund, you must satisfy certain eligibility criteria that are described in detail in the Distribution Plan and the Plan of Allocation, attached to the Distribution Plan as Exhibit A (except to the extent your claim was approved in the ACLN Class Action). These documents are available on the ACLN Distribution Fund's website www.ACLNSECDistributionFund.com. Those criteria include the following:

1. You must have (i) purchased ACLN common stock between June 15, 1999 and March 18, 2002, inclusive, and (ii) retained such ACLN common stock through the close of the markets on specific dates, depending on the date of purchase, as described in the Plan of Allocation.
2. Your approved transactions must calculate to an Eligible Loss Amount and your distribution payment must equal or exceed \$25.00.
3. **You are excluded from participation in the ACLN Distribution Fund if you are:**
 - A director or officer, or former director or officer, of ACLN or any of its past or present Affiliates (or any of his or her assigns, creditors, heirs, distributees, spouses, parents, children, or controlled entities) who served in such capacity during the Class Action Claims Period;
 - An employee of ACLN or any of its past or present Affiliates who has been terminated for cause in connection with the violations alleged in the SEC's Complaint in this action or any related SEC action, or who was otherwise terminated or has resigned in connection with the violations alleged in the SEC's Complaint in this action or any related SEC action (or any of such employee's Affiliates, assigns, creditors, heirs, distributees, spouses, parents, children, or controlled entities);

- Any defendant in an action brought by the SEC or any class action lawsuit related to the conduct described in the SEC's Complaint in this action or any related SEC action (or any of such defendant's Affiliates, assigns, creditors, heirs, distributees, spouses, parents, children, or controlled entities), unless and until such defendant is found not liable in all such civil suits prior to the Claims Bar Date, and proof of the finding(s) is included in such defendant's timely filed Proof of Claim Form;
- A person who, as of the Claims Bar Date, has been the subject of criminal charges related to the violations alleged in the SEC's Complaint in this action, or any related SEC action (or any of his or her Affiliates, assigns, creditors, heirs, distributees, spouses, parents, children or controlled entities);
- A person who assigned his or her right to obtain recovery in the SEC's action against ACLN;
- An assignee of another person's right to obtain a recovery in the SEC's action against ACLN, provided, however, that this provision shall not be construed to exclude those persons who obtained such a right by inheritance or devise; and
- The Distribution Agent, its employees, and those persons assisting the Distribution Agent in its role as the Distribution Agent, and those persons and their employees who are engaged to perform services pursuant to the Distribution Plan.

The Eligible Loss Amount incurred by an Eligible Claimant shall be determined by reference to the Plan of Allocation attached to the Distribution Plan. Instructions for calculating your Eligible Loss Amount may be found in that Exhibit to the Distribution Plan.

If the monies available for distribution from the ACLN Distribution Fund equal or exceed the aggregate Eligible Loss Amount for all approved claims, each claimant with an approved claim shall receive his or her Eligible Loss Amount. If the aggregate Eligible Loss Amount for all approved claims exceeds the monies available for distribution, payments shall be made to Eligible Claimants on a pro rata basis, determined by the ratio of each approved claim to the aggregate amount of all approved claims.

V. Proof of Claim Forms.

A PROOF OF CLAIM FORM IS BEING MAILED TOGETHER WITH THIS NOTICE TO ALL POTENTIALLY ELIGIBLE CLAIMANTS KNOWN TO THE DISTRIBUTION AGENT. IF YOU DID NOT RECEIVE A FORM IN THE MAIL OR REQUIRE ADDITIONAL FORMS, SEE THE INSTRUCTIONS BELOW UNDER "ADDITIONAL INFORMATION," FOR OBTAINING CLAIM FORMS.

IF YOU SUBMITTED A CLAIM THAT WAS PREVIOUSLY APPROVED BY THE COURT AS ELIGIBLE IN THE ACLN CLASS ACTION AND DO NOT HAVE ANY ADDITIONAL TRANSACTIONS IN ACLN COMMON STOCK THAT WERE NOT PREVIOUSLY APPROVED IN THAT CLASS ACTION, YOU DO NOT NEED TO SUBMIT ANOTHER PROOF OF CLAIM FORM TO BE ELIGIBLE TO SHARE IN THE ACLN DISTRIBUTION FUND.

IF YOUR CLAIM WAS APPROVED IN THE ACLN CLASS ACTION, YOU MAY LOG INTO THE ACLN DISTRIBUTION FUND'S WEBSITE – WWW.ACLNSECDISTRIBUTIONFUND.COM – USING THE LOG ON INFORMATION PROVIDED TO VIEW YOUR APPROVED TRANSACTIONS OR ADD ADDITIONAL TRANSACTIONS TO YOUR CLAIM.

THE DEADLINE TO SUBMIT A PROOF OF CLAIM FORM AT THE ADDRESS BELOW IS SEPTEMBER 16, 2013 (PLEASE NOTE: THIS IS A POSTMARK DEADLINE). IF YOU DO NOT HAVE A CLAIM APPROVED BY THE COURT IN THE ACLN CLASS ACTION AND FAIL TO TIMELY SUBMIT A COMPLETED PROOF OF CLAIM FORM, YOU WILL BE BARRED FROM RECEIVING A PAYMENT FROM THE ACLN DISTRIBUTION FUND. THE PROOF OF CLAIM FORM MUST BE ACCOMPANIED BY APPROPRIATE SUPPORTING DOCUMENTS FOR EACH TRANSACTION LISTED IN PART C OF THE PROOF OF CLAIM FORM.

If you submit a Proof of Claim Form that fails to provide all required information, or is otherwise deficient, you may receive a Claim Deficiency Notice advising you of the reason(s) why the claim is deficient and of the opportunity to cure such deficiencies.

VI. Claim Determinations.

The Distribution Agent will mail a notice advising each claimant that submitted a new or amended Proof of Claim Form of the determination concerning such claim. If a claim is denied in whole or in part, the Distribution Agent will state the reason for such denial.

All determinations of the Distribution Agent that are made in accordance with the Distribution Plan shall be final and not subject to appeal.

VII. Instructions for Submitting a Proof of Claim Form.

UNLESS YOU HAVE ALREADY SUBMITTED A PROOF OF CLAIM FORM THAT WAS APPROVED IN THE ACLN CLASS ACTION AND LISTED ALL OF YOUR ELIGIBLE TRANSACTIONS, YOU MUST COMPLETE AND SIGN THE PROOF OF CLAIM FORM AND SUBMIT IT TO THE DISTRIBUTION AGENT SO THAT IT IS POSTMARKED NO LATER THAN SEPTEMBER 16, 2013 AT THE ADDRESS LISTED BELOW OR FILE YOUR CLAIM ON THE INTERNET AT WWW.ACLNSECDISTRIBUTIONFUND.COM IN ORDER TO BE ELIGIBLE TO RECOVER FROM THE ACLN DISTRIBUTION FUND:

**SEC v. A.C.L.N., Ltd.
c/o The Garden City Group, Inc.
Distribution Agent
P.O. Box 9882
Dublin, OH 43017-5782**

VIII. Other Claims.

Upon receipt and acceptance of a distribution from the ACLN Distribution Fund, you shall be deemed to have released any claims you may have against the Distribution Agent and its agents. By participating in the distribution of the ACLN Distribution Fund, you will not be releasing any rights or claims you may have against any other party, including, but not limited to, ACLN and all defendants, and their past and present directors, officers, employees, advisers and agents.

IX. Special Notice to Securities Brokers and Other Nominee Purchasers.

If you purchased ACLN common stock during the SEC Action Claims Period as nominee for a beneficial owner and have additional names and addresses that were not previously submitted in the ACLN Class Action due to the longer SEC Action Claims Period, then within ten (10) calendar days after you receive this Plan of Distribution Plan Notice, you must either: (a) send a copy of this Distribution Plan Notice and the accompanying Proof of Claim Form by first-class mail to all such beneficial owners; or (b) provide a list of the names and addresses of such beneficial owners to the Distribution Agent at the address above.

X. Additional Information.

Additional information regarding the ACLN Distribution Fund may be found at www.ACLNSECDistributionFund.com. Additional Proof of Claim Forms and Distribution Plan Notices may also be downloaded at the ACLN Distribution Fund's website. You may obtain additional information or request copies of forms and notices by calling the ACLN Distribution Fund's toll-free hotline at (800) 909-7125 in the United States, or by email at Questions@ACLNSECDistributionFund.com.

PLEASE CHECK THE WEBSITE WWW.ACLNSECDISTRIBUTIONFUND.COM FREQUENTLY FOR UPDATES