

2. If you do not wish to be included in the Class and you do not wish to participate in the proposed settlement described in this Notice, you may request to be excluded. To do so, you must send a written request to be excluded postmarked no later than January 30, 1995. You must set forth the name of this Litigation (IDB Securities Litigation, Master File No. CV-94-3618-RG(JGx)), your name, address and telephone number, and the name and address of the record owner if different from your own. You must also set forth all purchases and all sales of IDB Securities during the Settlement Class Period, the dates and prices of such purchase(s) and sale(s), and your position in IDB Securities as of the commencement of trading on April 27, 1992, and at the close of trading on August 1, 1994. The exclusion request should be addressed as follows:

IDB Securities Litigation
c/o Gilardi & Co.
P.O. Box 8040
San Rafael, CA 94912-8040

NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN ANY SUCH REQUEST.

If you timely and validly request exclusion from the Settlement Class, (a) you will be excluded from the Settlement Class, (b) you will not share in the proceeds of the settlement described herein, (c) you will not be bound by any judgment entered in the Litigation, (d) you will not be precluded, by reason of your decision to request exclusion from the Settlement Class, from otherwise prosecuting an individual claim, if timely, against Defendants based on the matters complained of in the Litigation.

3. If you do not request to be excluded from the Settlement Class, you will be bound by any and all determinations or judgments in the Litigation in connection with the Settlement entered into and approved by the Court, whether favorable or unfavorable to the Settlement Class; including, without limitation, the Judgment described in Section VII ¶6, below.

4. If you do not request to be excluded from the Settlement Class, you may object to the Settlement and/or the application of Plaintiffs' counsel for an award of attorneys' fees and reimbursement of expenses and other awards in the manner set forth below. The filing of a Proof of Claim by a Settlement Class Member does not preclude a Settlement Class Member from objecting to the Settlement. However, if your objection is rejected you will be bound by the Settlement and the Judgment just as if you had not objected.

5. You may do nothing at all. If you choose this option, you will not share in the proceeds of the Settlement, but you will be bound by any Judgment entered by the Court.

If you are a member of the Settlement Class, you may, but are not required to, enter an appearance through counsel of your own choosing at your own expense. If you do not do so, you will be represented by Plaintiffs' Settlement Counsel: Milberg Weiss Bershad Hynes & Lerach, William S. Lerach, Keith F. Park, Patrick J. Coughlin, John J. Stoia, Jr., Joy Ann Bull, 600 W. Broadway, Suite 1800, San Diego, CA 92101; Corinblit & Seltzer, Marc M. Seltzer, 3700 Wilshire Blvd., Suite 820, Los Angeles, CA 90010; Barrack, Rodos & Bacine, Kirk B. Hulett, 600 W. Broadway, Suite 1700, San Diego, CA 92101; and Abbey & Ellis, Arthur Abbey, 212 East 39th St., New York, NY 10016.

VII. THE PROPOSED SETTLEMENT

A settlement has been reached in the litigation between the Plaintiffs and the Defendants which is embodied in a Stipulation of Settlement (the "Stipulation") dated as of October 31, 1994, on file with the Court. The attorneys for the Representative Plaintiffs, on the basis of, among other things, a thorough investigation of the facts and the law relating to the acts, events, and conduct complained of and the subject matter of the Litigation, have concluded that the proposed settlement is fair to and in the best interests of the Settlement Class. While the Defendants deny all charges of wrongdoing and deny liability, they have agreed to settle the Litigation on the basis proposed in order to put to rest all further controversy and to avoid substantial expenses and the inconvenience and distraction of burdensome and protracted litigation.

The following description of the proposed Settlement of the Class Action is only a summary, and reference is made to the text of the Stipulation, on file with the Court, for a full statement of its provisions:

1. The Class Action Settlement Fund consists of two components: Seventy-Three Million Dollars (\$73,000,000) will be deposited by IDB directly in the Class Action Settlement Fund and Two Million Dollars (\$2,000,000) will be initially deposited by LDDS in a Derivative Action Settlement Fund in settlement of the Derivative Claims. The Derivative Action Settlement Fund, net of such attorneys' fees and expenses as are awarded by the Court will thereafter be transferred on IDB's behalf to the Class Action Settlement Fund. The total amount plus interest thereon from January 1, 1995 at 6% per annum, will thereafter be maintained in an interest bearing account.

2. To share in the Class Action Settlement Fund, you must submit a valid Proof of Claim and Release on the form enclosed with this notice no later than May 1, 1995, to the address set forth in the attached Proof of Claim form.

3. Subject to the approval by the Court of the Plan of Allocation described below, the Class Action Settlement Fund, less the attorneys' fees, expenses and costs described in ¶4 below (the "Net Class Action Settlement Fund"), shall be distributed to Settlement Class Members who submit valid, timely proofs of claim ("Authorized Claimants") as follows:

a. Each person claiming to be an Authorized Claimant shall be required to submit the enclosed Proof of Claim and Release that includes a release of the Defendants and the other Released Persons signed under penalty of perjury and supported by such documents as specified in the proof of claim as are reasonably available to the Authorized Claimant.

b. All proofs of claim must be postmarked or received by May 1, 1995. Unless otherwise ordered by the Court, any Settlement Class member who fails to submit a Proof of Claim within such period, or such other period as may be ordered by the Court, shall be forever barred from receiving any payments pursuant to this Stipulation, but will in all other respects be subject to the provisions of the Stipulation and the final judgment entered by the Court.

c. If the amount in the Net Class Action Settlement Fund is not sufficient to permit payment of the total Claim of each Authorized Claimant, then each Authorized Claimant shall be paid that percentage of the Net Class Action Settlement Fund that each Authorized Claimant's Claim is of the total of the Claims of all Authorized Claimants.

d. A "Claim" will be computed pursuant to the following Plan of Allocation:

IDB COMMON STOCK

For shares of IDB Common Stock that were purchased from April 27, 1992 through May 31, 1994, and:

(i) sold on or after April 27, 1992 but before June 1, 1994, the Claim is 10% of the difference between the purchase price and the sales price;

(ii) sold on June 1, 1994 through August 1, 1994, the Claim is the difference between the purchase price less the sales price;

(iii) sold on or held after August 2, 1994, the Claim is the difference between the purchase price less the August 2, 1994 closing price of \$8.875 per share.

For shares of IDB Common Stock that were purchased from June 1, 1994 through August 1, 1994, and:

(i) sold on June 1, 1994 through August 1, 1994, the Claim is the difference between the purchase price less the sales price;

(ii) sold on or held after August 2, 1994, the Claim is the difference between the purchase price less the August 2, 1994 closing price of \$8.875 per share.

5% CONVERTIBLE SUBORDINATED NOTES

For IDB 5% Convertible Subordinated Notes that were purchased from April 27, 1992 through May 31, 1994, and:

(i) sold on or after April 27, 1992 but before June 1, 1994, the claim is 10% of the difference between the purchase price and the sales price;

(ii) sold on June 1, 1994 through August 1, 1994, the Claim is the difference between the purchase price less the sales price;

(iii) sold on or held after August 2, 1994, the Claim is the difference between the purchase price less the August 2, 1994 closing price of 79.05% of par value.

For IDB 5% Convertible Subordinated Notes that were purchased from June 1, 1994 through August 1, 1994, and:

(i) sold on June 1, 1994 through August 1, 1994, the Claim is the difference between the purchase price less the sales price;

(ii) sold on or held after August 2, 1994, the Claim is the difference between the purchase price less the August 2, 1994 closing price of 79.05% of par value;

(a) The date of purchase or sale is the "contract" or "trade" date as distinguished from the "settlement" date.

(b) For Settlement Class Members who made multiple purchases or multiple sales during the Class Period, the First-In-First-Out ("FIFO") accounting method shall be utilized under this Plan of Allocation for the purpose of matching the purchase of IDB Securities with the sale of like IDB Securities unless proof is submitted that an alternate method was used. In addition, all long positions in IDB Securities as of the close of trading on August 1, 1994 will be netted against all short positions in IDB Securities as of such dates to determine a Claim.

(c) Settlement Class Members must provide information regarding all transactions in IDB Securities during the Settlement Class Period including positions held as of the commencement of trading on April 27, 1992 and at the close of trading on August 1, 1994.

(d) The Court has reserved jurisdiction to allow, disallow or adjust the Claim of any Settlement Class Member on equitable grounds.

e. Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim against Plaintiffs' Settlement Counsel, any claims administrator or other agent designated by Plaintiffs' Settlement Counsel, Released Persons or Defendants' counsel based on the distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. All Settlement Class Members who fail to complete and file a valid and timely Proof of Claim and Release shall be barred from participating in distributions from the Class Action Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of this Stipulation, including the terms of any judgment entered and the releases given.

4. Upon approval of the Stipulation by the Court and entry of a judgment that becomes a final judgment and upon satisfaction of the other conditions to the Settlement, described below, the Class Action Settlement Fund will be distributed as follows:

(a) To pay all unpaid costs and expenses reasonably and actually incurred in connection with providing Notice to the members of the Class and IDB Stockholders and administering the settlement on behalf of the Settlement Class;

(b) To pay counsel to Class Plaintiffs the attorneys' fees, expenses and costs, with interest thereon (the "Fee and Expense Award"), and incentive awards to the named plaintiffs if and to the extent allowed by the Court; and

(c) To pay the reasonable costs incurred in the preparation of any tax returns required to be filed on behalf of the Class Action Settlement Fund as well as the taxes (and any interest and penalties determined to be due thereon) owed by reason of the earnings of the Class Action Settlement Fund, including all Taxes and Tax Expenses as defined in the Stipulation.

5. The Class Action Settlement Fund, less any deductions for fees and costs allowed by the Court and taxes due, shall be maintained by the Escrow Agent for the benefit of the Settlement Class, as provided in the Stipulation.

6. If the Merger (as defined above) is consummated, the other Conditions set forth in the Stipulation are satisfied, and if the proposed Settlement is approved by the Court, the Court will enter a Judgment which will dismiss the Litigation as against Defendants with prejudice, and bar and permanently enjoin each Plaintiff and Settlement Class Member, whether or not such Settlement Class Member has submitted a Proof of Claim, from prosecuting the Released Class Claims (defined below) against the Released Persons, and any such Settlement Class Member shall be conclusively deemed to have released any and all such Released Class Claims against the Released Persons. The Court shall retain jurisdiction over implementation of the Settlement, disposition of the Class Action Settlement Fund, hearing and determining Plaintiffs' applications for attorneys' fees, costs, interest, expenses (including fees and costs of experts and/or consultants), and enforcing and administering the Stipulation and Judgment, including any releases executed in connection therewith.

7. As used above, the "Released Class Claims" shall mean and include any and all claims, causes of action, or liabilities, including but not limited to claims for negligence, gross-negligence, professional negligence, breach of duty or care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, mismanagement, corporate waste, malpractice, breach of contract, negligent misrepresentation, violations of any state or federal common law, statutes, rules or regulations, including claims for aiding and abetting any of the foregoing or conspiring to do the same, and any Unknown Claims as defined below by or on behalf of the Representative Class Plaintiffs, the Settlement Class or any Member of the Settlement Class based on or related to his, her or its purchase of IDB Securities during the Settlement Class Period or any loss by reason thereof against any of the Released Persons arising out of, relating to or in connection with:

(1) any of the facts, circumstances, allegations, claims, causes of action, representations, statements, reports, disclosures, transactions, events, occurrences, acts, omissions or failures to act, of whatever kind or character whatsoever, irrespective of the state of mind of the actor performing or omitting to perform the same that have been or could have been alleged or described in any pleading, amended pleading, argument, complaint, amended complaint, brief, motion, report or filing in the Litigation;

(2) any matter, cause or thing whatsoever, including but not limited to any action, omission or failure to act of whatever kind or character, irrespective of the state of mind of the actor performing or omitting to perform the same, arising out of or relating to the adequacy, accuracy or completeness of any disclosure or statement made in any filings, reports, prospectus(es), press releases, statements, subsidiaries, products, sales, financial condition, plans or prospects (collectively referred to as "public statements") or in any filing with the SEC or any other federal or state governmental agency or regulatory body, or the preparation or dissemination of, or failure to disseminate, any such public statements, at any time during the period of April 27, 1992 through and including August 1, 1994, inclusive, pertaining in any respect to any of the matters that have been or could have been alleged in any pleading, amended pleading, complaint, amended complaint, motion, or filing in the Litigation;

(3) any of the facts, circumstances, claims, causes of action, representations, statements, reports, disclosures, transactions, events, occurrences, acts or omissions of whatever kind or character whatsoever, regardless of the state of mind of the actor performing or omitting to perform the same that have been or that could have been alleged or made the subject of any claim or action in federal or state court or otherwise under federal law or the law of any state, common law or in equity in any pleading, amended pleading, demand, complaint, amended complaint, motion or filing, relating in any way to the rights of any of the Representative Class Plaintiffs or any Member of the Settlement Class to challenge the fairness or adequacy of the consideration paid to IDB Stockholders, or the accuracy of the disclosures made by the IDB Defendants or LDDS in connection with the Merger.

(4) Notwithstanding anything otherwise encompassed by ¶¶(1)-(3) above, the releases given by the Representative Class Plaintiffs and the Settlement Class shall not serve as a bar to any of the Representative Class Plaintiffs or any Member of the Settlement Class receiving additional Merger consideration as an IDB Stockholder should such additional consideration be paid by LDDS to IDB Stockholders in connection with the Merger.

"Unknown Claims" means any Released Class Claims that any Representative Class Plaintiff or 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 that, if known by him, her or it, might have affected his, her or its settlement with the 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 Class Claims, upon the Effective Date, the Representative Class Plaintiffs and the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, any and all applicable provisions, rights, and benefits of §1542 of the California Civil Code, 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.

The Representative Class Plaintiffs and the Settlement Class Members, upon the Effective Date, shall be deemed to have and by operation of the Judgment shall have waived any and all applicable provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law that is similar, comparable or equivalent to §1542 of the California Civil Code. The Representative Class Plaintiffs 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 Class Claims, but each of the Representative Class Plaintiffs and Settlement Class Members 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 Class Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that 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 that 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, provided, however, that nothing herein shall constitute a release of any claim by LDDS or IDB against any other Released Person, other than the Individual Defendants, including, but not limited to claims for contribution and indemnity.

VIII. NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

Banks, brokerage firms, institutions, and other persons who are nominees who purchased IDB Securities for the beneficial interest of other persons as of any day from April 27, 1992 through and including August 1, 1994 are requested within ten (10) days of receipt of the Notice, to (1) provide Gilardi & Co (the "Claims Administrator") with the names and addresses of such beneficial purchasers, or to (2) forward a copy of the Notice to each such beneficial purchaser and provide the Claims Administrator with written confirmation that the notice has been so forwarded. Plaintiffs' Settlement Counsel offer to pre-pay your reasonable costs and expenses of complying with this provision upon submission of appropriate documentation to the Claims Administrator. Additional copies of the Notice may be obtained from the Claims Administrator for forwarding to such beneficial owners. All such correspondence should be addressed as follows:

IDB Securities Litigation
c/o Gilardi & Co.
P.O. Box 8040
San Rafael, CA 94912-8040

IX. ATTORNEYS' FEES, COSTS AND EXPENSES OF PLAINTIFFS' ATTORNEYS AND AWARDS

Counsel for the Representative Class Plaintiffs in the Class Action will apply to the Court at the conclusion of the Hearing described below, for an award of attorneys' fees of up to one-third of the Class Action Settlement Fund plus reimbursement of litigation expenses and disbursements actually incurred, together with interest earned on said sums. Such sums as may be granted by the Court will be paid from the Class Action Settlement Fund. Plaintiffs' counsel may also apply for an award of up to \$5,000 for each of the Representative Class Plaintiffs in connection with their contributions to the successful resolution of this action. Such awards as may be granted by the Court to the Representative Class Plaintiffs will not otherwise reduce the amount of the Net Class Action Settlement Fund available for distribution to the Class.

X. THE HEARING

A hearing (the "Hearing") will be held before the Honorable Richard A. Gadbois, Jr., United States District Judge, at the United States District Court, Central District of California, 312 North Spring Street, Los Angeles, California at 10:00 a.m. on February 13, 1995, for the purpose of determining whether the proposed Settlement and fee request is fair, reasonable and adequate and whether it should be approved by the Court and whether Judgment should be entered dismissing the Litigation on the merits and with prejudice as against Defendants. The Hearing may be adjourned from time to time by the Court at the Hearing or any adjourned session thereof without further notice.

Any member of the Class who has not requested exclusion may appear at the Hearing to show cause why the proposed Settlement should not be approved, the Litigation should not be dismissed on the merits with prejudice as against the Defendants, and to present any opposition to the Plan of Allocation or the application of Plaintiffs' counsel for attorneys' fees, costs and expenses and awards; provided, however, that no such person shall be heard, unless his or her objection or opposition is made in writing and is filed, together with copies of all other papers and briefs to be submitted by him or her to the Court at the hearing, with the Court no later than January 30, 1995, and showing due proof of service on Plaintiffs' Settlement Counsel:

MILBERG WEISS BERSHAD HYNES & LERACH
WILLIAM S. LERACH
KEITH F. PARK
PATRICK J. COUGHLIN
JOY ANN BULL
600 West Broadway, Suite 1800
San Diego, CA 92101

BARRACK, RODOS & BACINE
KIRK B. HULETT
LISA C. ATKINSON
600 West Broadway, Suite 1700
San Diego, CA 92101

ABBEY & ELLIS
ARTHUR N. ABBEY
212 East 39th Street
New York, NY 10016

CORINBLIT & SELTZER
MARC M. SELTZER
3700 Wilshire Boulevard Suite 820
Los Angeles, CA 90010

Counsel for Defendants and Certain Related Parties:

O'MELVENY & MYERS
WILLIAM W. VAUGHN
SETH ARONSON
MARY CATHERINE WIRTH
400 South Hope Street Suite 1050
Los Angeles, CA 90071-2899

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777 S. Figueroa Street Suite 2700
Los Angeles, CA 90017

ORRICK, HERRINGTON & SUTCLIFFE
TODD E. GORDINIER
PAYNE L. TEMPLETON
777 S. Figueroa Street Suite 3200
Los Angeles, CA 90017

STOEL, RIVES, BOLEY, JONES & GREY
ROBERT S. WIGGINS
Standard Insurance Center
900 S.W. Fifth Ave, Suite 2300
Portland, OR 97204

LOEB & LOEB
ROBERT A. MEYER
1000 Wilshire Blvd., 18th Floor
Los Angeles, CA 90017

BROWN, PARKER & LEAHY
DALLAS PARKER
WILLIAM HELLER
1200 Smith St., Suite 3600
Houston, TX 77002

Unless otherwise ordered by the Court, any member of the Settlement Class who does not make his or her objection or opposition in the manner provided shall be deemed to have waived all objections and opposition to the fairness, reasonableness and adequacy of the proposed settlement, the Plan of Allocation, or to the request of Plaintiffs' counsel for attorneys' fees, costs and expenses or other awards.

XI. EXAMINATION OF PAPERS AND INQUIRIES

This notice contains only a summary of the terms of the proposed Settlement. For a more detailed statement of the matters involved in the Litigation, reference is made to the pleadings, to the Stipulation of Settlement and to other papers filed in this action which may be inspected at the Office of the Clerk of the United States District Court, Central District of California, 312 North Spring Street, Los Angeles, California 90012 during business hours of each business day.

Inquiries regarding the Litigation should be addressed as follows:

IDB Securities Litigation
c/o Gilardi & Co.
P.O. Box 8040
San Rafael, CA 94912-8040

DO NOT CONTACT THE COURT REGARDING THIS NOTICE.

DATED: November 21, 1994

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE CENTRAL
DISTRICT OF CALIFORNIA