

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA ALEXANDRIA DIVISION

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| IN RE THE MILLS CORPORATION |) | CIVIL ACTION NO. |
| SECURITIES LITIGATION |) | 1:06-cv-00077 (LO-TRJ) |
| |) | |
| This Document relates to: |) | |
| 1:06-cv-00077 (LO-TRJ) 1:06-cv-00304 (LO-TRJ) |) | |
| 1:06-cv-00247 (LO-TRJ) 1:06-cv-01446 (LO/TRJ) |) | |
| 1:06-cv-00265 (LO-TRJ) 1:07-cv-00296 (LO/TRJ) |) | |

NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENTS AND SETTLEMENT FAIRNESS HEARING

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by a class action lawsuit pending in this Court (the "Consolidated Action" or "Action") if, during the period from February 27, 2001 through and including August 10, 2006, you purchased or otherwise acquired publicly traded common stock and/or preferred stock of The Mills Corporation ("Mills" or the "Company").

NOTICE OF SETTLEMENTS: Please also be advised that the Court-appointed Lead Plaintiffs, Iowa Public Employees' Retirement System ("IPERS") and Public Employees' Retirement System of Mississippi ("MPERS," and together with IPERS, "Lead Plaintiffs"), on behalf of the Class (as defined in paragraph 37 below), have reached the proposed all-cash Settlements with Defendants in the Action, as follows: a settlement with Mills and The Mills Limited Partnership (collectively, the "Mills Entities") in the amount of \$165 million, plus interest as described herein (the "Mills Settlement"); a settlement with Ernst & Young LLP ("E&Y") in the amount of \$29.75 million (the "E&Y Settlement"); and a settlement with the KanAm Defendants (defined in paragraph 1 below) in the amount of \$8 million (the "KanAm Settlement") (collectively, the "Settlements"). The total amount of the Settlements equals \$202.75 million, plus interest on the Mills Settlement, as described in paragraphs 44-46 below. If the Settlements are approved by the Court, they will resolve all claims in the Consolidated Action against the Settling Defendants, as identified in paragraph 1 below, as well as other Released Parties, as identified in paragraph 76 below.

This Notice explains important rights you may have, including the possible receipt of cash from the Settlements after the Court approves a Plan of Allocation of the Total Net Settlement Fund (as defined in paragraph 2 below). Your legal rights will be affected whether or not you act. Please read this Notice carefully!

1. **Description of the Consolidated Action and Class:** This Notice relates to three proposed Settlements of claims against the Defendants in the pending class action lawsuit. The Defendants are: (a) the Mills Entities; (b) Laurence C. Siegel, Kenneth R. Parent, Mary Jane Morrow, Nicholas McDonough, James F. Dausch, James C. Braithwaite, Dietrich von Boetticher, Franz Freiherr von Perfall, Joseph B. Gildenhorn, Harry H. Nick, Cristina L. Rose, Robert P. Pincus, John M. Ingram and Charles R. Black, Jr. (the "Individual Defendants"); (c) Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, Wachovia Capital Markets, LLC and RBC Dain Rauscher, Inc. (the "Underwriter Defendants"); (d) E&Y; and (e) KanAm Services, L.P., KanAm Management L.L.C., KanAm L.L.C., KanAm Providers, Inc., KanAm Realty, Inc., KanAm US, Inc., KanAm America, Inc., KanAm International GmbH, and KanAm Grund Kapitalanlagegesellschaft mbH (the "KanAm Defendants"). The Mills Settlement provides for the release of claims against the Mills Entities, the Individual Defendants, and the Underwriter Defendants, as well as other Released Parties. The E&Y Settlement provides for the release of claims against E&Y as well as other Released Parties related to E&Y. The KanAm Settlement provides for the release of claims against the KanAm Defendants, as well as other Released Parties related to the KanAm Defendants. Thus, the proposed Settlements, if approved by the Court, will resolve all claims and potential claims of Class Members against all of these Defendants (collectively, the "Settling Defendants") and the other Released Parties, and will provide relief to all persons and entities who purchased or otherwise acquired the publicly traded common stock and/or preferred stock of Mills from February 27, 2001 through August 10, 2006, inclusive (the "Class Period"), and who were injured thereby (the "Class").

2. **Statement of Class's Recovery:** Subject to Court approval, and as described more fully in paragraphs 37-40 below, Lead Plaintiffs, on behalf of the Class, have agreed to settle all claims based on the purchase or acquisition of Mills publicly traded common stock and/or preferred stock that were or could have been asserted against the Settling Defendants and other Released Parties in the Consolidated Action in exchange for a total of at least **\$202.75 million in cash (the "Total Settlement Amount")**, apportioned as: (1) a settlement payment from the Mills Entities of \$165 million in cash plus interest in accordance with the schedule described in paragraph 44 below; (2) a settlement payment from E&Y of \$29.75 million in cash as described in paragraph 45 below; and (3) a settlement payment from KanAm Services, L.P., on behalf of the KanAm Defendants, of \$8 million in cash as described in paragraph 46 below. The Total Settlement Amount will be deposited into interest-bearing escrow accounts (the "Total Settlement Fund"). The Total Net Settlement Fund (the Total Settlement Fund less taxes, notice and administration costs, and attorneys' fees and litigation expenses awarded to counsel representing Lead Plaintiffs and the Class) will be distributed in accordance with a plan of allocation (the "Plan of Allocation") that will be approved by the Court and will determine how the Total Net Settlement Fund shall be allocated to the members of the Class.

3. **Statement of Average Amount of Damages Per Share:** The parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiffs were to prevail. Lead Plaintiffs' damages expert estimates that approximately 55 million of the 56 million shares of Mills publicly traded common stock outstanding and all 25.5 million shares of Mills publicly traded preferred stock outstanding during the Class Period were purchased by Class Members and may have been affected by the conduct at issue in the Consolidated Action. Based on these figures, the average per-share recovery from the Total Settlement Fund would be approximately \$3.25 per share of common stock and \$0.85 per share of preferred stock before the deduction of attorneys' fees, costs and expenses, as approved by the Court. Class Members should note, however, that these are only estimates based on the overall number of potentially damaged shares in the Class, and that some Class Members may recover more or less than these amounts depending on, among other factors, when and the prices at which their shares were purchased or sold. Settling Defendants deny that any shares of Mills common stock or preferred stock were damaged as Lead Plaintiffs have alleged. Settling Defendants assert that they were prepared to establish that the prices of Mills common stock and preferred stock were not inflated as the result of any allegedly false or misleading public statements by any of the Settling Defendants, or for which any of the Settling Defendants could be held liable, and that the decline in the prices of Mills common and preferred stock alleged in the Consolidated Action did not result from the disclosure of any information that Lead Plaintiffs allege was misrepresented or wrongfully withheld.

4. **Statement of Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel have not received any payment of attorneys' fees for their representation of the Class and they have advanced the funds to pay the costs necessarily incurred to prosecute the Consolidated Action. Lead Counsel intend to apply to the Court for an award of attorneys' fees of up to 18% of the Total Settlement Fund, plus expenses not to exceed \$4 million, which were incurred in connection with the Action, plus interest. Any fees and expenses awarded by the Court will be paid from the Total Settlement Fund. Class Members are not personally liable for any such fees or expenses. If the Court approves Lead Counsel's request, the estimated average cost will be approximately \$0.65 per affected share of common stock and \$0.17 per affected share of preferred stock.

5. **Identification of Attorneys' Representatives:** Lead Plaintiffs and the Class are being represented by Steven B. Singer, Esq., of Bernstein Litowitz Berger & Grossmann LLP, and Jeffrey W. Golan, Esq., of Barrack, Rodos & Bacine. Any questions regarding the Settlements should be directed to Mr. Singer at Bernstein Litowitz Berger & Grossmann LLP, 1285 Avenue of the Americas, New York, NY 10019, (800) 380-8496, blbg@blbgllaw.com, or to Mr. Golan at Barrack Rodos & Bacine, 3300 Two Commerce Square, 2001 Market Street, Philadelphia, PA 19103, (215) 963-0600, jgolan@barrack.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENTS:

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| SUBMIT A CLAIM FORM BY NOVEMBER 12, 2009. | This is the only way you will be eligible to get a payment from the Total Net Settlement Fund. |
| EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN SEPTEMBER 17, 2009. | If you exclude yourself from the Class, you will not be eligible to get any payment from the Total Net Settlement Fund. However, excluding yourself from the Class allows you to bring your own lawsuit against any of the Settling Defendants or other Released Parties concerning the claims that were, or could have been, asserted in this case. |
| OBJECT TO THE SETTLEMENTS, THE PLAN OF ALLOCATION OR THE FEE AND EXPENSE REQUEST BY SUBMITTING WRITTEN OBJECTIONS SO THAT THEY ARE RECEIVED NO LATER THAN SEPTEMBER 17, 2009. | If you do not like the Mills Settlement, the E&Y Settlement, the KanAm Settlement, the Plan of Allocation, and/or Lead Counsel's fee and expense request, you may write to the Court and explain why you do not like them. You cannot Object to any of the Settlements, the Plan of Allocation or the fee and expense request unless you are a Class Member and do not exclude yourself. |
| GO TO THE HEARING ON OCTOBER 8, 2009 AT 10:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN SEPTEMBER 17, 2009. | Filing a written objection by September 17, 2009, allows you to present your objection about any of the issues to be decided by the Court at the hearing. |
| DO NOTHING. | If you do not submit a claim form, you will not be eligible to receive a payment from the Total Net Settlement Fund. However, unless you exclude yourself from the Class, you will lose any right to bring your own lawsuit against any of the Defendants or Released Parties concerning the claims that were, or could have been, asserted in the Action. |

WHAT THIS NOTICE CONTAINS

| | |
|---|----|
| Why Did I Get This Notice?..... | 3 |
| What Is This Case About? What Has Happened So Far?..... | 4 |
| How Do I Know If I Am Affected By The Settlements? | 7 |
| What Are The Lead Plaintiffs' Reasons For The Settlements? | 8 |
| What Might Happen If There Were No Settlements?..... | 8 |
| How Much Will My Payment Be? | 8 |
| What Rights Am I Giving Up By Remaining In The Class? | 15 |
| What Payment Are The Attorneys For The Class Seeking? How Will The Lawyers Be Paid? | 16 |
| How Do I Participate In The Settlements? What Do I Need To Do? | 16 |
| What If I Do Not Want To Be A Part Of The Settlements? How Do I Exclude Myself? | 17 |
| When And Where Will The Court Decide Whether To Approve The Settlements Plan of Allocation and Fee and Expense Request? Do I Have To Come To The Hearing? May I Speak At The Hearing If I Don't Like The Settlements? | 17 |
| What If I Bought Shares On Someone Else's Behalf?..... | 18 |
| Can I See The Court File? Whom Should I Contact If I Have Questions? | 19 |

WHY DID I GET THIS NOTICE?

6. This Notice is being sent to you pursuant to an Order of the United States District Court for the Eastern District of Virginia, Alexandria Division (the "Court") because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired publicly traded shares of Mills common stock and/or preferred stock during the Class Period. The Court has directed us to send you this Notice because, as a potential Class Member, you have a right to know about your options before the Court rules on each of the three proposed Settlements of this case. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the Court approves the Settlements and the Plan of Allocation (or some other plan of allocation), the claims administrator selected by Lead Plaintiffs and approved by the Court will make payments pursuant to the Settlements after any objections and appeals are resolved.

7. In a class action lawsuit, the Court selects one or more people, known as class representatives, to sue on behalf of all people with similar claims, commonly known as the class or the class members. In this Consolidated Action, the Court has appointed IPERS and MPERS to serve as "Lead Plaintiffs" under a federal law governing lawsuits such as this one, and approved Lead Plaintiffs' selection of the law firms of Barrack, Rodos and Bacine and Bernstein Litowitz Berger & Grossmann LLP (together "Lead Counsel") to serve as Lead Counsel in the Consolidated Action. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. Once the class is certified, the Court must resolve all issues on behalf of the class members, except for any persons who choose to exclude themselves from the class. (For more information on excluding yourself from the Class, please read "What If I Do Not Want To Be A Part Of The Settlements? How Do I Exclude Myself?," located below.)

8. The Court in charge of this case is the United States District Court for the Eastern District of Virginia, Alexandria Division, and the case is known as *In re The Mills Corporation Securities Litigation*. The Judge presiding over this case is the Honorable Liam O'Grady, United States District Judge. The people who are suing are called plaintiffs, and those who are being sued are called defendants. In this case, the plaintiffs are referred to as the Lead Plaintiffs, on behalf of themselves and the Class, and Defendants are the Mills Entities, the Individual Defendants, the Underwriter Defendants, E&Y and the KanAm Defendants. The three proposed Settlements will resolve all claims against all Defendants and will bring the Consolidated Action to an end.

9. This Notice explains the lawsuit, the Settlements, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Class if you wish to do so. It also is being sent to inform you of the terms of the three proposed Settlements, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the three proposed Settlements (the "Settlement Hearing").

10. The Settlement Hearing will be held on October 8, 2009 at 10:00 a.m., before the Honorable Liam O'Grady, at the United States District Court for the Eastern District of Virginia, Alexandria Division, Albert V. Bryan U.S. Courthouse, 401 Courthouse Square, Courtroom 7, Alexandria, VA 22314 to determine:

- (i) whether this Consolidated Action should be finally certified, for settlement purposes only, as a class action under Rules 23(a) and (b) of the Federal Rules of Civil Procedure;
- (ii) whether the proposed Settlements are fair, reasonable, and adequate and should be approved by the Court;
- (iii) whether the Settled Claims against the Settling Defendants and the other Released Parties should be dismissed with prejudice as set forth in the Stipulations and Agreements of Settlement (the "Stipulations");
- (iv) whether the proposed Plan of Allocation is fair and reasonable, and should be approved by the Court; and
- (v) whether and in what amount the Court should award attorneys' fees and reimbursement of expenses to Lead Counsel.

11. This Notice does not express any opinion by the Court concerning the merits of any claim in the Consolidated Action, and the Court still has to decide whether to approve each of the Settlements. If the Court approves the Settlements and a Plan of Allocation, payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient.

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| WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR? |
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12. During the Class Period, Mills was a real estate investment trust.

13. Lead Plaintiffs alleged that during the Class Period, Mills issued financial statements that materially overstated Mills' actual financial results starting with the year-end 2000 results through the third quarter 2005 results, which caused Mills publicly traded common stock and preferred stock to be sold at artificially inflated prices.

14. Lead Plaintiffs further alleged that Mills engaged in accounting improprieties in order to be able to report financial results that met or exceeded the market's expectations.

15. On January 6, 2006, the Company filed a Form 8-K with the SEC announcing that the Company would restate its audited financial results from 2000 through 2004 and its unaudited quarterly results for the first three quarters of 2005. On August 10, 2006, the Company filed a Form 8-K with the SEC reporting the results of its Audit Committee's investigation into Mills' accounting practices to that point, which disclosed, among other things, that Mills' shareholders' equity was overstated as of September 30, 2005, and that it had overstated net income for 2003, 2004 and 2005. On January 9, 2007, the Company filed a Form 8-K with the SEC that provided further detail about the findings made as a result of the Audit Committee's investigation.

16. Beginning on or about January 20, 2006, four class actions were commenced in the United States District Court for the Eastern District of Virginia (the "Securities Class Actions") against certain of the Settling Defendants. The complaints in those actions alleged, *inter alia*, that certain of the Defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 promulgated thereunder, and Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 ("Securities Act").

17. On March 31, 2006, the Court entered an Order consolidating the Securities Class Actions into the Consolidated Action. By Order entered June 1, 2006, the Court appointed IPERS and MPERS as Lead Plaintiffs in the Consolidated Action. On December 22, 2006, and March 27, 2007, two additional class actions were commenced in the same court against E&Y and certain other Defendants. Under the Court's previous order, these cases were consolidated with the previously filed actions.

18. On July 27, 2007, Lead Plaintiffs filed the Consolidated Class Action Complaint (the "Consolidated Complaint") asserting claims under Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder and Sections 11, 12(a)(2) and 15 of the Securities Act. The Consolidated Complaint generally alleged violations of the federal securities laws through, among other things, misstatements and omissions by the Mills Entities, E&Y and certain other former defendants and Defendants in filings made by Mills and Mills LP with the United States Securities and Exchange Commission (the "SEC"), as well as in press releases and conference calls with analysts and investors. As to the KanAm Defendants named in the Consolidated Complaint, that complaint alleged that they were liable solely by virtue of their alleged control of the Mills Defendants and certain Mills directors. The Consolidated Complaint sought to proceed on behalf of a class consisting of all persons who purchased or otherwise acquired Mills publicly traded securities, including Mills common stock and preferred stock, during the period from February 27, 2001 through August 10, 2006 and who retained the securities through October 31, 2005, and who were damaged thereby, excluding certain named persons and entities. The dates for the Class Period were chosen based on Lead Plaintiffs' determination of when misleading public statements began to artificially inflate the value of Mills publicly traded securities and when the truth concerning those statements became known and the artificial inflation was eliminated from the price of Mills publicly traded securities. Lead Plaintiffs determined that, in order to be deemed to have suffered a recognizable loss, persons who purchased or otherwise acquired Mills publicly traded common stock and preferred stock during the Class Period must have retained their securities through October 31, 2005 because, among other reasons, that was the date of a Mills press release that said the Company was delaying the release of its results for the third quarter of 2005 to allow the Company additional time to evaluate the accounting for several items in its third quarter results.

19. On September 13-14, 2007, the persons and entities named as defendants in the Consolidated Complaint filed thirteen (13) separate motions to dismiss the Consolidated Complaint; on October 29, 2007, Lead Plaintiffs filed an omnibus memorandum in opposition to those motions to dismiss; and on November 19, 2007, reply briefs were filed in support of the motions. By Order entered December 7, 2007, the Court granted the motions to dismiss but granted Lead Plaintiffs leave to replead by January 18, 2008.

20. On January 18, 2008, Lead Plaintiffs filed their Consolidated Amended Class Action Complaint (the "Consolidated Amended Complaint"), asserting claims under Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder and Sections 11 and 15 of the Securities Act. The Consolidated Amended Complaint generally alleges violations of the federal securities laws through, among other things, misstatements and omissions by Defendants in filings made by Mills and Mills LP with the SEC, as well as in press releases and conference calls with analysts and investors.

21. On February 22-25, 2008, the persons and entities named as defendants in the Consolidated Amended Complaint filed motions to dismiss the Consolidated Amended Complaint; on March 21, 2008, Lead Plaintiffs filed an omnibus memorandum in opposition to the motions to dismiss; and on April 4, 2008, reply briefs were filed in support of the motions. By Order entered April 28, 2008, the Court denied the motions to dismiss in their entirety. On May 9, 2008, the persons and entities named as defendants in the Consolidated Amended Complaint filed their respective Answers to the Consolidated Amended Complaint.

22. On August 15, 2008, Lead Plaintiffs filed their motion (i) to certify the Action as a class action, (ii) to certify Lead Plaintiffs and additional named plaintiffs including C. Bickley Foster, Frederic Elliott and Vernon E. Rudolph as Class Representatives, and (iii) to certify Lead Counsel as Class Counsel (the "Class Motion"). The Parties to the Action engaged in discovery pertaining to the Class Motion, including discovery of experts proffered by Lead Plaintiffs and Defendants, and submitted memoranda of law and exhibits, including expert affidavits and testimony, in response to and in further support of the Class Motion.

23. On November 12, 2008, after representatives for Lead Plaintiffs and representatives for the Mills Entities engaged in day-long mediation sessions on April 2, 2008, July 23, 2008 and November 10, 2008, before former Judge Daniel Weinstein, Lead Plaintiffs and the Mills Entities reached an agreement in principle with respect to a compromise and settlement of the claims raised in the Action against the Mills Entities, the Individual Defendants and the Underwriter Defendants. This settlement was reached only after extended arm's length negotiations under the auspices of Judge Weinstein and after Lead Plaintiffs' Class Motion was fully briefed and pending before the Court. Lead Plaintiffs, however, continued to prosecute the remaining claims against E&Y and the KanAm Defendants named in the Consolidated Amended Complaint.

24. On January 9, 2009, Lead Plaintiffs filed a motion to amend the Consolidated Amended Complaint, substituting certain of the KanAm Defendants in place of the Defendants previously named in the Consolidated Complaint and Consolidated Amended Complaint (the "Motion to Amend"). Attached to Lead Plaintiffs' submission was a copy of Lead Plaintiffs' proposed Second Amended Class Action Complaint (the "Second Amended Complaint") which asserted claims against the KanAm Defendants based solely on their alleged control of the Mills Defendants and certain Mills directors.

25. On January 15, 2009, the KanAm Defendants filed a motion seeking a limited and partial discovery stay (the "Stay Motion"). Then, on February 4, 2009, the KanAm Defendants filed an opposition to the Motion to Amend and a motion to dismiss the proposed Second Amended Complaint should the Court grant leave for the Second Amended Complaint to be filed, to which Lead Plaintiffs responded in a brief filed on February 5, 2009.

26. On February 6, 2009, the Court heard argument on Lead Plaintiffs' Motion to Amend, as well as the KanAm Defendants' Stay Motion. Thereafter, on February 9, 2009, the Court entered an order granting the Motion to Amend and denying the Stay Motion.

27. On February 26, 2009, the Court heard argument on the Class Motion as against E&Y and the KanAm Defendants, and stated at the conclusion of the Hearing that (a) Lead Plaintiffs had met their burden to establish the appropriateness of certifying a Class through August 10, 2006, and (b) the Court would grant the Class Motion and issue an order and memorandum opinion consistent with the Court's findings.

28. On February 27, 2009, the Court heard argument on the KanAm Defendants' motion to dismiss the Second Amended Complaint, and stated that the Court would issue an order denying the KanAm Defendants' motion. Thereafter, on March 3, 2009, the Court entered an order denying the KanAm Defendants' motion to dismiss the Second Amended Complaint. On March 13, 2009, the KanAm Defendants filed their Answer to Lead Plaintiffs' Second Amended Complaint.

29. On March 18, 2009, E&Y and the KanAm Defendants filed in the United States Court of Appeals for the Fourth Circuit (the "Court of Appeals") Petitions for Permission to Appeal from the Court's ruling on the Class Motion, to which Lead Plaintiffs responded on March 20, 2009, with a motion to dismiss the Petitions and on March 30, 2009, with a brief in opposition to the Petitions.

30. On March 20, 2009, E&Y filed a motion in the Court to stay certain proceedings in the litigation pending determination by the Court of Appeals of E&Y's Rule 23(f) Petition. Lead Plaintiffs' response to the stay motion was to be filed on April 1, 2009, E&Y could file a reply brief on April 2, 2009, and argument was set on the motion for April 3, 2009.

31. On March 31, 2009, the Court issued an Order granting the Class Motion, finding that, as to E&Y and the KanAm Defendants, Lead Plaintiffs had demonstrated the existence of the prerequisites for class certification articulated in Fed. R. Civ. P. 23(a) and 23(b)(3). The Order specifically certified as to E&Y a subclass of persons who purchased or otherwise acquired Mills common and preferred stock during the period from March 28, 2002 through August 10, 2006, and certified as to the KanAm Defendants a subclass of persons who purchased or otherwise acquired Mills common and preferred stock during the period from February 27, 2001 through August 10, 2006.

32. On April 1, 2009, after representatives for Lead Plaintiffs and representatives for E&Y had engaged in mediation sessions before Judge Weinstein on December 8, 2008 and March 13, 2009, and through a series of further discussions, the parties reached an agreement in principle with respect to a compromise and settlement of the claims raised in the Action against E&Y. This settlement was reached only after extended arm's length negotiations under the auspices of Judge Weinstein and follow-up discussions directly between Lead Counsel and counsel for E&Y, and through Judge Weinstein. Lead Plaintiffs and E&Y provided notice to the Court of the Settlement, including that in light of the Settlement, E&Y would be withdrawing its motion to stay proceedings in the Court, and that it would be taking action before the Court of Appeals to seek deferral of proceedings in the Court of Appeals on E&Y's Rule 23(f) Petition, and otherwise to protect its appeal rights, pending final approval of the Settlement. On April 2, 2009, E&Y filed a notice of withdrawal of its motion to stay proceedings referred to above. Lead Plaintiffs, however, continued to prosecute the remaining claims against the KanAm Defendants.

33. On May 7, 2009, the KanAm Defendants filed an Amended Rule 23(f) Petition in the Court of Appeals.

34. On May 11, 2009, after representatives for Lead Plaintiffs and representatives for the KanAm Defendants engaged in mediation sessions before Judge Weinstein on December 10, 2008 and April 14, 2009, and through a series of further discussions, the parties reached an agreement in principle with respect to a compromise and settlement of the claims raised in the Action against the KanAm Defendants. This settlement was reached only after extended arm's length negotiations under the auspices of Judge Weinstein and follow-up discussions directly between Lead Counsel and counsel for the KanAm Defendants, and through Judge Weinstein, ultimately culminating in a mediator's proposal. Lead Plaintiffs and the KanAm Defendants provided notice to the Court of the Settlement, including that in light of the Settlement, the KanAm Defendants would be taking action before the Court of Appeals to seek deferral of proceedings in the Court of Appeals on KanAm's Amended Rule 23(f) Petition, and otherwise to protect their appeal rights, pending final approval of the Settlement.

35. Lead Counsel conducted an extensive investigation and thorough discovery relating to the claims and the underlying events and transactions alleged in the Consolidated Complaint, the Consolidated Amended Complaint and the Second Amended Complaint, which included reviewing millions of pages of documents produced by Defendants and other non-parties; conducting interviews with potential fact witnesses; responding to discovery requests, including interrogatories and document requests, addressed to the Lead Plaintiffs and other Plaintiffs; participating in depositions of representatives of each of the Lead Plaintiffs, other Plaintiffs and an investment manager for the Lead Plaintiffs; completing briefing and expert discovery related to Lead Plaintiffs' motion for class certification, including presenting and reviewing expert reports, and participating in expert depositions; taking depositions of more than 25 fact witnesses; preparing for depositions of the Individual Defendants, other former employees of Mills, other representatives of the KanAm Defendants and of the Underwriter Defendants; and working with Lead Plaintiffs' experts in the preparation of expert reports. Lead Counsel have analyzed the evidence adduced during pretrial discovery and have researched the applicable law with respect to the claims of Lead Plaintiffs and the other members of the Class against the Defendants and the potential defenses thereto.

36. On March 4, 2009, the Court entered an order preliminarily approving the Mills Settlement. On June 24, 2009, the Court entered the Order for Notice and Hearing which, among other things, (a) preliminarily approved the E&Y and KanAm Settlements, (b) authorized this Notice to be sent to potential Class Members, and (c) scheduled the Settlement Hearing to consider whether to grant final approval to each of the Settlements.

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| HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENTS? |
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37. If you are a member of the Class, you are subject to each of the Settlements unless you timely request to be excluded. The Class consists of all persons or entities who during the period from February 27, 2001 through August 10, 2006 purchased or otherwise acquired Mills publicly traded common stock and preferred stock and who were damaged thereby. This includes purchasers of Mills common stock and purchasers of Mills preferred stock, Series B, C, E and G. Excluded from the Class are (a) Defendants and all persons and entities who (i) during the Class Period were Defendants' officers, directors and partners or members of Defendants' immediate families or controlled by a Defendant or (ii) at any time, were Defendants' legal representatives, heirs, successors or assigns and assert a claim on the Total Settlement Fund based on a Defendant's purchase or other acquisition of Mills publicly traded common stock or preferred stock, and (b) persons who purchased and sold all of their Mills securities before the close of the market on October 31, 2005. As explained above, Lead Plaintiffs determined that purchasers of Mills publicly traded common stock and preferred stock must have retained their securities through October 31, 2005 because, among other reasons, that was the date of a Mills press release that said the Company was looking into certain "accounting issues" relating to its third quarter 2005 financial statements. The Class also does not include those persons and entities who timely request exclusion from the Class pursuant to this Notice (see "What If I Do Not Want To Participate In The Class And The Settlement? How Do I Exclude Myself?," below).

RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENTS. IF YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENTS, YOU WILL BE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE.

WHAT ARE THE LEAD PLAINTIFFS' REASONS FOR THE SETTLEMENTS?

38. Lead Plaintiffs and Lead Counsel believe that the claims asserted against the Settling Defendants have merit. Lead Plaintiffs and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against these Defendants through trial and appeals, as well as the difficulties in establishing liability for allegations of fraud. Lead Plaintiffs and Lead Counsel have taken into account the possibility that the claims asserted in the Consolidated Amended Complaint and Second Amended Complaint might have been dismissed in response to the Settling Defendants' anticipated motions for summary judgment, and have considered issues that would have been decided by a jury in the event of a trial of the Consolidated Action, including whether any of the Settling Defendants acted with an intent to mislead investors, whether the alleged misrepresentations or omissions were material to investors, whether all of Class Members' losses were caused by the alleged misrepresentations or omissions, and the amount of damages. Lead Plaintiffs and Lead Counsel have considered the uncertain outcome and trial risk in complex lawsuits like this one, and that, even if they were successful, after the resolution of appeals that were certain to be taken (which could take years to resolve), certain of the Settling Defendants may not have been able to pay an amount significantly larger than the Total Settlement Amount or even as much as the Total Settlement Amount. Settling Defendants' ability to pay an amount significantly larger than the Total Settlement Amount, or even as much as the Total Settlement Amount, years into the future when all appeals were resolved was also a factor that Lead Plaintiffs took into account, including the risk that insurance coverage provided by the directors' and officers' policies would be seriously depleted, if not exhausted, by the continuing costs of litigation.

39. Lead Plaintiffs and Lead Counsel believe that each of the Settlements achieved with the Settling Defendants is an excellent result and in the best interests of the Class and, therefore, agreed to the terms of each of the proposed Settlements.

40. In light of the amount of each of the Settlements, that the Settling Defendants agreed to certification of the Class for settlement purposes, and the immediacy of recovery to the Class, Lead Plaintiffs and Lead Counsel believe that each of the proposed Settlements is fair, reasonable and adequate, and in the best interests of the Class. Lead Plaintiffs and Lead Counsel believe that each of the Settlements provides a substantial benefit now, namely \$165 million in cash, plus interest, for the Mills Settlement, \$29.75 million in cash for the E&Y Settlement, and \$8 million in cash for the KanAm Settlement (less the various deductions described in this Notice), as compared to the risk that the claims in the Consolidated Action would produce a similar, smaller, or no recovery after summary judgment, trial and appeals, possibly years in the future.

41. Settling Defendants have denied the claims asserted against them in the Consolidated Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Settling Defendants have agreed to each of the Settlements solely to eliminate the burden and expense of continued litigation. Accordingly, each of the Settlements may not be construed as an admission of any Settling Defendant's wrongdoing.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENTS?

42. If there were no Settlements and Lead Plaintiffs failed to establish any essential legal or factual element of their claims against any of the Settling Defendants and other defendants who are included in the definition of Released Parties (see paragraph 76 below), neither Lead Plaintiffs nor the Class would recover anything from those Settling Defendants and those Released Parties. Also, if any of the Settling Defendants or any of the other Released Parties were successful in proving any of their defenses, the Class likely might recover substantially less than the amount provided in each of the Settlements, or nothing at all. Finally, the Class had not yet been certified in litigation as against the Mills Entities, the Individual Defendants, and the Underwriter Defendants, and the other Settling Defendants may have prevailed on appeal on their arguments as to why the Class should not have been certified at all or in its entirety, which would also have seriously undermined Lead Plaintiffs' ability to achieve a meaningful result for the Class through litigation of the Consolidated Action.

HOW MUCH WILL MY PAYMENT BE?

43. At this time, it is not possible to make any determination as to how much a Class Member may receive from any of the Settlements.

44. Pursuant to the Mills Settlement, the Mills Entities have agreed to pay or cause to be paid the amount of One Hundred Sixty-Five Million Dollars (\$165,000,000) in cash plus interest in accordance with the following schedule: (a) Sixty-Five Million Dollars (\$65,000,000) within fifteen (15) business days after the Court enters the Order for Notice and Hearing with respect to the Mills Settlement (the "First Payment"), plus such additional amount as will equal three percent (3%) simple annual interest accrued on the Sixty-Five Million Dollars over the course of the period from February 1, 2009 until said deposit is made; (b) Fifty Million Dollars (\$50,000,000) on or before April 15, 2009 (the "Second Payment"), plus such additional amount as will equal three percent (3%) simple annual interest accrued on the Fifty Million Dollars over the course of the period from February 1, 2009 until deposit into the Escrow Account of the Second Payment; and (c) Fifty Million Dollars (\$50,000,000) on or before July 31, 2009 (the "Third Payment"), plus such additional amount as will equal three percent (3%) simple annual interest accrued on the Fifty Million Dollars over the course of the period from February 1, 2009 until deposit into the Escrow Account of the Third Payment. The parties also agreed that the Mills Entities may, in their sole discretion, pay or cause to be paid, either or both of the Second Payment and Third Payment prior to the dates set forth above for their payment (the "Early Payment(s)"), provided that any such Early Payment(s) shall also include such additional amount as will equal three percent (3%) simple annual interest accrued on the Early Payments(s) over the course of the period from February 1, 2009 until deposit into the Escrow Account of the Early Payment(s). Furthermore, in order to assure the payment of the Second and Third Payments, the Mills Entities have delivered to Lead Counsel irrevocable letters of credit for the aggregate amount of One Hundred Million Dollars (\$100,000,000). The Mills Entities have made the first and second payments identified above, equaling \$100,000,000 plus interest. The Mills Entities' obligation to make the third payment, which is not due until July 31, 2009, remains secured by the irrevocable letter of credit described above.

45. Pursuant to the E&Y Settlement, E&Y agreed to pay or cause to be paid the amount of Twenty-Nine Million Seven-Hundred Fifty Thousand Dollars (\$29,750,000) by depositing that amount in cash into an Escrow Account within fifteen (15) business days after the Court enters the Order for Notice and Hearing.

46. Pursuant to the KanAm Settlement, on May 29, 2009, KanAm Services, L.P. on behalf of the Settling KanAm Defendants, deposited Eight Million Dollars (\$8,000,000) in cash into an Escrow Account.

47. The aggregate total of all three Settlements is referred to as the "Total Settlement Amount" and together with any and all income earned thereon is referred to as the "Total Settlement Fund." The Total Net Settlement Fund is the Total Settlement Fund less (i) all federal, state and local taxes on any income earned by the Total Settlement Fund and the reasonable costs incurred in connection with determining the amount of, and paying, taxes owed by the Total Settlement Fund (including reasonable expenses of tax attorneys and accountants); (ii) the costs and expenses in connection with providing Notice to Class Members and administering the Settlements on behalf of Class Members; and (iii) any award by the Court of attorneys' fees and expenses. The Total Net Settlement Fund shall be distributed to Class Members who submit acceptable Proofs of Claim ("Authorized Claimants").

PROPOSED PLAN OF ALLOCATION

GENERAL PROVISIONS

48. Defendants have agreed to pay or cause to be paid a Total Settlement Amount of \$202.75 million in cash plus interest, as set forth above.

49. After approval of the Settlements by the Court and upon satisfaction of the other conditions to the Settlements, the Total Net Settlement Fund (*i.e.*, the Total Settlement Amount plus interest, and less all taxes, approved costs, fees and expenses) shall be distributed to Class Members (or the representative of such Class Members including, without limitation, agents, administrators, executors, heirs, predecessors, successors, affiliates (as defined in 17 C.F.R. Part 210.1-02.b) and assigns) who submit a Proof of Claim in such form and manner, and within such time, as the Court shall prescribe that are allowed by the Court ("Authorized Claimants") in accordance with the Plan of Allocation. If any funds remain in the Total Net Settlement Fund because of uncashed distributions or other reasons, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distribution checks, any balance remaining in the Total Net Settlement Fund one (1) year after the initial distribution of such funds shall be redistributed to Class Members who have cashed their initial distribution and who would receive at least \$10.00 from such redistribution, after payment of any unpaid costs or fees incurred in administering the Total Net Settlement Fund for such redistribution. If any funds shall remain in the Total Net Settlement Fund six (6) months after such redistribution, then such balance shall be contributed to non-sectarian, not-for-profit 501(c)(3) organizations designated by Lead Counsel after notice to the Court and subject to direction, if any, by the Court.

50. The Court has reserved the right to modify the Plan of Allocation without further notice to Class Members. All Orders regarding a modification of the Plan of Allocation will be posted on the settlement website, www.millssecuritieslitigation.com.

51. The following proposed Plan of Allocation reflects Lead Plaintiffs' contention, on behalf of themselves and the Class, that because of misrepresentations and omissions about Mills' financial condition and prospects, the prices of Mills common and preferred stock were artificially inflated during the Class Period (February 27, 2001 – August 10, 2006). Defendants do not admit that Lead Plaintiffs' contentions, damages analysis or calculations as stated or reflected herein are correct as a matter of fact or law, but for purposes of the Settlements have taken no position with respect to this Plan of Allocation.

52. The objective of the Plan of Allocation is to equitably distribute the settlement proceeds to those Class Members who suffered economic losses as a result of the alleged fraud, as opposed to losses caused by market or industry factors or other non-fraud-related, Company-specific factors. The Plan of Allocation reflects Lead Plaintiffs' damages expert's analysis undertaken to that end.

53. A "Recognized Loss Amount" will be calculated for each purchase or acquisition of publicly traded common stock and/or preferred stock of Mills that is listed in the Claim Form, and for which adequate documentation is provided. The calculation of the Recognized Loss Amount will depend upon several factors, including (i) when the shares were purchased or acquired and (ii) whether they were held through the conclusion of the Class Period or sold during the Class Period, and if so, when they were sold.

54. Recognized Loss Amounts are based on the level of alleged artificial inflation in the price of Mills common stock and preferred stock at the time of purchase or acquisition. For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the stock. In this case, Lead Plaintiffs allege that Defendants made false statements and omitted material facts from February 27, 2001 through and including August 10, 2006.

55. As noted in its 8-K filed August 10, 2006, Mills admitted to overstating shareholders' equity by at least \$295 million and net income by \$55 million in 2003, \$95 million in 2004, and \$60 million in the first nine months of 2005. Therefore, inflation was assumed to have entered the stock proportionately to the overstatements. For example, in 2003, when income was said to have been overstated by \$55 million, the Plan reflects that 18.7% (\$55 million / \$295 million) of the total inflation entered the securities' prices during 2003. The inflation was assumed to have entered evenly throughout the four earnings announcements during the year, so that 4.7% (18.7% / 4) entered each time Mills released its earnings for the 2003 fiscal quarters. Similar calculations, based on the figures contained in the 8-K filed August 10, 2006, were made with respect to the presumed inflation that entered the stock during the other years within the Class Period.

56. Artificial inflation in the prices of Mills Securities was determined to be at its maximum just prior to the first partially corrective disclosure on October 31, 2005, after which changes in inflation were measured based on observed returns following disclosures of inflationary or corrective information. Following the final corrective disclosure at the end of the Class Period, artificial inflation was eliminated from the prices of Mills Securities.

57. The Recognized Loss Amounts are based on the timing of trades in Mills common and/or preferred stock relative to these alleged corrective disclosure dates.

58. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Total Net Settlement Fund, *i.e.*, the Distribution Amount, based upon each Authorized Claimant's "Recognized Claim" as defined in paragraph 61 below. The formulas set forth below for determining a Recognized Claim are not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; nor is the Recognized Claim an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlements. The formulas are the basis upon which the Distribution Amount will be proportionately allocated to the Authorized Claimants.

SPECIFIC LOSS AMOUNTS

59. The Recognized Loss Amount is based on the per share amount of alleged artificial inflation present in the price of Mills common stock and preferred stock as set forth in Appendices A – I that appear at the end of this Notice.

A. MILLS COMMON STOCK

(i) For each share of Mills common stock purchased or otherwise acquired during the Class Period that a Claimant sold prior to November 1, 2005, the Claimant shall have no Recognized Loss Amount.

(ii) For each share of Mills common stock purchased or otherwise acquired during the Class Period, which a Claimant sold between November 1, 2005 and the close of trading on August 11, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and the proceeds received on sale per share (excluding commissions) **or**
- (b) the difference between the estimated per share inflation in the price of Mills common stock on the purchase date (see Appendix A) and the estimated per share inflation in the price of Mills common stock on the date of sale (see Appendix A).

(iii) For each share of Mills common stock purchased or otherwise acquired during the Class Period, which a Claimant sold from August 12, 2006 through November 8, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and the price per share on the sale date listed in Appendix B **or**
- (b) the estimated per share inflation in the price of Mills common stock on the purchase date (see Appendix A).

(iv) For each share of Mills common stock purchased or otherwise acquired during the Class Period, which a Claimant beneficially owned as of the close of trading on November 8, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and \$17.19 per share **or**
- (b) the estimated per share inflation in the price of Mills common stock on the purchase date (see Appendix A).

B. MILLS SERIES B PREFERRED STOCK

(i) For each share of Mills Series B Preferred stock purchased or otherwise acquired during the Class Period that a Claimant sold prior to November 1, 2005, the Claimant shall have no Recognized Loss Amount.

(ii) For each share of Mills Series B Preferred stock purchased or otherwise acquired during the Class Period, which a Claimant sold between November 1, 2005 and the close of trading on August 11, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and the proceeds received on sale per share (excluding commissions) **or**
- (b) the difference between the estimated per share inflation in the price of Mills Series B Preferred stock on the purchase date (see Appendix C) and the estimated per share inflation in the price of Mills Series B Preferred stock on the date of sale (see Appendix C).

(iii) For each share of Mills Series B Preferred stock purchased or otherwise acquired during the Class Period, which a Claimant sold from August 12, 2006 through November 8, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and the price per share on the sale date listed in Appendix D **or**
- (b) the estimated per share inflation in the price of Mills Series B Preferred stock on the purchase date (see Appendix C).

(iv) For each share of Mills Series B Preferred stock purchased or otherwise acquired during the Class Period, which a Claimant beneficially owned as of the close of trading on November 8, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and \$21.63 per share **or**
- (b) the estimated per share inflation in the price of Mills Series B Preferred stock on the purchase date (see Appendix C).

C. MILLS SERIES C PREFERRED STOCK

(i) For each share of Mills Series C Preferred stock purchased or otherwise acquired during the Class Period that a Claimant sold prior to November 1, 2005, the Claimant shall have no Recognized Loss Amount.

(ii) For each share of Mills Series C Preferred stock purchased or otherwise acquired during the Class Period, which a Claimant sold between November 1, 2005 and the close of trading on August 11, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and the proceeds received on sale per share (excluding commissions) **or**
- (b) the difference between the estimated per share inflation in the price of Mills Series C Preferred stock on the purchase date (see Appendix E) and the estimated per share inflation in the price of Mills Series C Preferred stock on the date of sale (see Appendix E).

(iii) For each share of Mills Series C Preferred stock purchased or otherwise acquired during the Class Period, which a Claimant sold from August 12, 2006 through November 8, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and the price per share on the sale date listed in Appendix F **or**
- (b) the estimated per share inflation in the price of Mills Series C Preferred stock on the purchase date (see Appendix E).

(iv) For each share of Mills Series C Preferred stock purchased or otherwise acquired during the Class Period, which a Claimant beneficially owned as of the close of trading on November 8, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and \$21.51 per share **or**
- (b) the estimated per share inflation in the price of Mills Series C Preferred stock on the purchase date (see Appendix E).

D. MILLS SERIES E PREFERRED STOCK

(i) For each share of Mills Series E Preferred stock purchased or otherwise acquired during the Class Period that a Claimant sold prior to November 1, 2005, the Claimant shall have no Recognized Loss Amount.

(ii) For each share of Mills Series E Preferred stock purchased or otherwise acquired during the Class Period, which a Claimant sold between November 1, 2005 and the close of trading on August 11, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and the proceeds received on sale per share (excluding commissions) **or**
- (b) the difference between the estimated per share inflation in the price of Mills Series E Preferred stock on the purchase date (see Appendix G) and the estimated per share inflation in the price of Mills Series E Preferred stock on the date of sale (see Appendix G).

(iii) For each share of Mills Series E Preferred stock purchased or otherwise acquired during the Class Period, which a Claimant sold from August 12, 2006 through November 8, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and the price per share on the sale date listed in Appendix H **or**
- (b) the estimated per share inflation in the price of Mills Series E Preferred stock on the purchase date (see Appendix G).

(iv) For each share of Mills Series E Preferred stock purchased or otherwise acquired during the Class Period, which a Claimant beneficially owned as of the close of trading on November 8, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and \$21.05 per share **or**
- (b) the estimated per share inflation in the price of Mills Series E Preferred stock on the purchase date (see Appendix G).

E. MILLS SERIES G PREFERRED STOCK

(i) For each share of Mills Series G Preferred stock purchased or otherwise acquired during the Class Period that a Claimant sold prior to November 1, 2005, the Claimant shall have no Recognized Loss Amount.

(ii) For each share of Mills Series G Preferred stock purchased or otherwise acquired during the Class Period, which a Claimant sold between November 1, 2005 and the close of trading on August 11, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and the proceeds received on sale per share (excluding commissions) **or**
- (b) the difference between the estimated per share inflation in the price of Mills Series G Preferred stock on the purchase date (see Appendix I) and the estimated per share inflation in the price of Mills Series G Preferred stock on the date of sale (see Appendix I).

(iii) For each share of Mills Series G Preferred stock purchased or otherwise acquired during the Class Period, which a Claimant sold from August 12, 2006 through November 8, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and the price per share on the sale date listed in Appendix J **or**
- (b) the estimated per share inflation in the price of Mills Series G Preferred stock on the purchase date (see Appendix I).

(iv) For each share of Mills Series G Preferred stock purchased or otherwise acquired during the Class Period, which a Claimant beneficially owned as of the close of trading on November 8, 2006, the Recognized Loss Amount per share shall be equal to **the lesser of**

- (a) the difference between the purchase price paid per share (excluding commissions) and \$19.97 per share **or**
- (b) the estimated per share inflation in the price of Mills Series G Preferred stock on the purchase date (see Appendix I).

ADDITIONAL PROVISIONS

60. The Total Net Settlement Fund will be allocated among all Authorized Claimants, provided, however, that Class Members who purchased Mills stock prior to March 28, 2002 will not be allocated any money from the E&Y Settlement with respect to those purchases. That is because any federal securities claims against E&Y that could have been asserted on behalf of persons who purchased Mills stock prior to March 28, 2002 were barred by the statute of limitations, and the Court's class certification decision therefore specifically certified as to E&Y a subclass of persons who purchased or otherwise acquired Mills stock during the period from March 28, 2002 through August 10, 2006. Class Members who purchased Mills stock prior to March 28, 2002 will be allocated money from the settlements with the Mills Defendants and the KanAm Defendants with respect to those purchases, provided that those purchases are otherwise eligible for compensation pursuant to the terms of the Plan of Allocation.

61. Each Authorized Claimant's Recognized Claim shall be the total of his, her or its Recognized Loss Amounts. If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Total Net Settlement Fund is greater than the Total Net Settlement Fund, however, each such Authorized Claimant shall receive his, her, or its *pro rata* share of the Total Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total of all Recognized Claims to be paid from the Total Net Settlement Fund, multiplied by the total amount in the Total Net Settlement Fund.

62. If the Total Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Total Net Settlement Fund, the excess amount in the Total Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

63. For Class Members who (a) held Mills common stock before the Class Period or (b) made multiple purchases/acquisitions or sales of Mills common stock and/or preferred stock during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases and sales for purposes of calculating Recognized Loss Amounts. Class Period sales will be matched first against the Mills shares held at the beginning of the Class Period, and then against purchases/acquisitions of the security in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

64. A purchase or acquisition and sale of Mills common stock or preferred stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of Mills common stock or preferred stock during the Class Period shall not be deemed a purchase, acquisition or sale of these shares of Mills common stock or preferred stock for the calculation of a Claimant’s Recognized Claim nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such shares of Mills common stock or preferred stock unless (i) the donor or decedent purchased or otherwise acquired such shares of Mills stock during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of Mills stock; and (iii) the assignment of claims is specifically so provided in the instrument of gift or assignment.

65. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of Mills common stock and preferred stock. The date of a “short sale” is deemed to be the date of sale of Mills common stock or preferred stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero.

66. To the extent a Claimant had a market gain from his, her, or its overall transactions in Mills common stock and preferred stock during the Class Period, the value of the Recognized Claim will be zero. To the extent that a Claimant suffered an overall market loss on his, her, or its overall transactions in Mills common stock and preferred stock during the Class Period, but that market loss was less than the total Recognized Claim calculated above, then the Claimant’s Recognized Claim shall be limited to the amount of the actual market loss.

67. For purposes of determining whether a Claimant had a market gain from his, her, or its overall transactions in Mills common stock and preferred stock during the Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount¹ and (ii) the sum of the Sales Proceeds² and the Holding Value.³ This difference will be deemed a Claimant’s market gain or loss on his, her, or its overall transactions in Mills common stock and preferred stock during the Class Period.

68. The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiffs and Lead Counsel to the Court for approval. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class.

69. The Total Net Settlement Fund will not be distributed until the Court has approved a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

70. Each of the Settling Defendants is not entitled to get back any portion of the respective Settlement Amounts once the Court’s Order approving the respective Settlement applicable to that Settling Defendant becomes final.

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

72. Approval of each of the Settlements is independent from approval of each of the other Settlements and approval of the proposed Plan of Allocation.

73. Only those Class Members who purchased or otherwise acquired Mills publicly traded common stock and/or preferred stock during the Class Period **AND WERE DAMAGED AS A RESULT OF SUCH PURCHASES OR ACQUISITIONS**, will be eligible to share in the distribution of the Total Net Settlement Fund. Each person wishing to participate in the distribution will be required to timely submit a valid Claim Form establishing membership in the Class, and including all required documentation.

¹ The “Total Purchase Amount” is the total the amount the Claimant paid for all of the Mills common stock and preferred stock purchased or acquired during the Class Period.

² The Claims Administrator shall match any sales of Mills common stock during the Class Period, first against the Claimant’s opening position in the stock (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received for sales of the remaining Mills common stock sold through and including August 11, 2006 is the “Sales Proceeds.” The Claims Administrator shall perform the same procedure with respect to each series of preferred stock.

³ The Claims Administrator shall ascribe a value per share for the number of shares of Mills common and preferred stock purchased or acquired during the Class Period and still held as of the close of business on August 11, 2006 (“Holding Value”) as follows: (i) \$17.19 per share of common stock; (ii) \$21.63 per share of Series B Preferred Stock; (iii)) \$21.51 per share of Series C Preferred Stock; (iv)) \$21.05 per share of Series E Preferred Stock; and (v)) \$19.97 per share of Series G Preferred Stock.

74. If you remain in the Class, you will be bound by any orders issued by the Court. For example, if any of the Settlements are approved, the Court will enter judgment as to the approved Settlement or Settlements (the "Judgment"). The Judgment will dismiss with prejudice the claims against the respective Settling Defendants and will provide that Lead Plaintiffs and all other Class Members shall be deemed to have -- and by operation of the Judgment shall have -- fully, finally, and forever released, waived, discharged, and dismissed any and all Settled Claims (as defined in paragraph 75 below), including Unknown Claims (as defined in the Stipulations) against the respective Released Parties (as defined in paragraph 76 below) and any claims or potential claims that were or could be asserted in connection with the Consolidated Action or the Settled Claims.

75. "Settled Claims" means any and all actions, claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, or foreign statutory 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, whether class, derivative or individual in nature, including both known claims and Unknown Claims, (i) that have been asserted in this Action by the Class Members or any of them against any of the Released Parties, or (ii) that could have been asserted in any forum by the Class Members or any of them against any of the Released Parties which in any way arise out of, are related to, or are based upon (a) the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Consolidated Complaint, the Consolidated Amended Complaint or any subsequent amendment of the Amended Complaint (including the Second Amended Complaint) or (b) investments (including, but not limited to, purchases or other acquisitions, sales, exercises, and decisions to hold) in any securities issued by, or instruments referencing securities issued by, Mills or Mills LP, including without limitation all claims arising out of or relating to any disclosures, public filings, registration statements or other statements by any and all of the Former Defendants (as defined in the Stipulations) and Defendants.

76. "Released Parties" or "Released Party" means, (1) as to the Mills Settlement, any and all of the Settling Mills Defendants (as defined in the Mills Settlement Stipulation), the Purchasers (as defined in the Mills Settlement Stipulation), the Settling Underwriter Defendants (as defined in the Mills Settlement Stipulation) and any other person or entity who acted as an underwriter for the offering of Mills Series G preferred stock; (2) as to the E&Y Settlement, Settling Defendant E&Y (as defined in the E&Y Settlement Stipulation); and (3) as to the KanAm Settlement, the Settling KanAm Defendants (as defined in the KanAm Settlement Stipulation). In addition, each of the Settlements also releases various Released Parties, which generally include each of the Settling Defendants' respective past and present subsidiaries, divisions, business units, parents, successors and predecessors, legal representatives, heirs, assigns, partners, principals, members, managers, officers, directors, agents, employees, attorneys, affiliates, controlled persons, controlling persons, insurers, advisors, investment advisors, and other released parties as described therein.⁴

77. Any Judgment entered by the Court will also provide that the respective Settling Defendants, on behalf of themselves and all other applicable Released Parties, their heirs, executors, administrators, predecessors, successors and assigns, and any other person claiming by, through or on behalf of them, shall be deemed to have -- and by operation of the Judgment shall have -- fully, finally, and forever released, waived, discharged and dismissed all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs expenses or liability whatsoever) against any of the Lead Plaintiffs, Class Members or Plaintiffs' Counsel, whether based on federal, state, local, statutory 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, whether class or individual in nature, including both known claims and Unknown Claims, that have been or could have been asserted in the Consolidated Action or any forum by the respective Settling Defendants or any of them or the successors and assigns of any of them, that arise from or relate to the institution, prosecution, or settlement of the Action (except for claims to enforce the Stipulation and Settlement).

⁴ The definitions of Released Parties, as set forth in the respective Stipulations, are set forth in their entirety in the accompanying Proof of Claim form.

78. Any Judgment entered by the Court will also provide for the following:

(a) A “Bar Order” that permanently bars, enjoins and restrains any and all claims for contribution, or any indemnity claim or any other claim, however styled, where the injury to the claiming party is the claiming party’s purported liability to the Class or any Class Member, arising out of, relating to or based upon the claims, allegations, transactions, facts, matters or occurrences, representations or omissions, involved, set forth, or referred to in the Complaint or the Amended Complaint or any subsequent amendment thereto (including but not limited to the Settled Claims), whether arising under state, federal or foreign statutory or common-law rule, asserted as claims, cross-claims, counterclaims, or third-party claims, in this Action, any federal or state court, or in any other court, arbitration proceeding, administrative agency, or other domestic or foreign forum (i) by any person or entity against any of the respective Released Parties and (ii) by any of the respective Released Parties against any person or entity. Any final verdict or judgment that might be obtained by or on behalf of the Class or a Class Member against any person or entity whose claims are barred pursuant to the foregoing, apart from the respective Released Parties, shall be reduced by the greater of (i) the respective Settlement Amount or (ii) an amount that corresponds to the percentage of responsibility of the respective Released Parties as determined at trial; and

(b) A “Released Parties Bar Order” that permanently bars, enjoins and restrains all respective Released Parties from commencing, instituting or prosecuting any or all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs expenses or liability whatsoever) against any of the Lead Plaintiffs, Class Members or Plaintiffs’ Counsel, whether based on federal, state, local, statutory 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, whether class or individual in nature, including both known claims and unknown claims, that have been or could have been asserted in the Action or any forum by the respective Released Parties or any of them or the successors and assigns of any of them, that arise from or relate to the institution, prosecution, or settlement of the Action through the Effective Date (except for claims to enforce this Stipulation and Settlement).

79. In addition, in any Judgment entered by the Court with respect to the Mills Settlement, the Bar Order shall not include all claims that may be brought against the Mills Released Parties by the Mills Entities, or any designee of the Mills Entities who contributes funds to the Mills Settlement Fund.

WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?

80. Plaintiffs’ Counsel have not received any payment for their services in pursuing claims against Defendants on behalf of the Class, nor have they been reimbursed for their out-of-pocket expenses. Lead Counsel intends to apply to the Court for an award of attorneys’ fees of up to 18% of the Total Settlement Fund, plus expenses not to exceed \$4 million, which were incurred in connection with the Action, plus interest. Any fees and expenses awarded by the Court will be paid from the Total Settlement Fund. Class Members are not personally liable for any such fees or expenses.

81. Plaintiffs’ Counsel will only be paid if, after submission of their fee and expense request, the Court awards a fee to Plaintiffs’ Counsel and grants reimbursement of their litigation expenses. Any amount awarded by the Court as fees and expenses would be paid from the Total Settlement Fund, as described in paragraph 80.

82. Additionally, the Plaintiffs in this Action incurred certain expenses in connection with their service as Class representatives. They are also applying to the Court for reimbursement of those expenses, not to exceed \$125,000, which, if granted, would also be paid from the Total Settlement Fund.

HOW DO I PARTICIPATE IN THE SETTLEMENTS? WHAT DO I NEED TO DO?

83. If you purchased or otherwise acquired Mills publicly traded common stock and/or preferred stock during the period from February 27, 2001 through August 10, 2006, inclusive, and were damaged thereby, and you are not excluded by the definition of the Class and you do not elect to exclude yourself from the Class, then you are a Class Member, and you will be bound by any of the proposed Settlements that the Court approves, and by any judgment or determination of the Court affecting the Class. Only Class Members are eligible to participate in the distribution of the Total Net Settlement Fund and, if you are a Class Member, you are required to submit a Claim Form and supporting documentation to establish your entitlement to share in the Settlements. The Claim Form, attached hereto, can also be downloaded from the website maintained by the Claims Administrator for the Settlement or you may request that a Claim Form be mailed to you. The website is www.millssecuritieslitigation.com. The Claim Form will also be available from Lead Counsel’s websites at www.blbgllaw.com and www.barrack.com. Those who exclude themselves from the Class, and those who do not submit timely and valid Claim Forms with adequate supporting documentation will not be entitled to share in the Settlements.

84. As a Class Member, you are represented by Lead Plaintiffs and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her notice of appearance on the attorneys listed in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlements?," below.

85. If you do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Part Of The Class And The Settlements? How Do I Exclude Myself?," below.

86. If you wish to object to the Mills Settlement, the E&Y Settlement, the KanAm Settlement, the proposed Plan of Allocation, Lead Counsel's request for attorneys' fees and reimbursement of expenses, or any portions of the above Settlements, Plan or fee and expense request, and if you do not exclude yourself from the Class, you may present your objections by following the instructions in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlements, Plan of Allocation and Fee and Expense Request?," below.

WHAT IF I DO NOT WANT TO BE A PART OF THE SETTLEMENTS? HOW DO I EXCLUDE MYSELF?

87. Each Class Member will be bound by all determinations and judgments in this lawsuit, including those concerning each of the Settlements, whether favorable or unfavorable, unless such person or entity mails, by first-class mail (or its equivalent outside the U.S.), or otherwise delivers a written Request for Exclusion from the Class, addressed to *In re The Mills Corporation Securities Litigation - EXCLUSIONS*, - c/o The Garden City Group, Inc., P.O. Box 9504, Dublin OH 43017-4804. The exclusion request must be received no later than September 17, 2009. You will not be able to exclude yourself from the Class after that date. Each Request for Exclusion must (i) state the name and address of the person or entity requesting exclusion; (ii) state that such person or entity "requests exclusion from the Class in *In re The Mills Corporation Securities Litigation*, Civil Action No. 1:06-cv-00077 (LO-TRJ)"; (iii) be signed by the person or entity requesting exclusion; (iv) provide a telephone number for that person or entity; and (v) provide the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and sales of Mills publicly traded common stock and/or preferred stock during the Class Period. Requests for exclusion will not be valid if they do not include the information set forth above and are not received within the time stated above, unless the Court otherwise determines.

88. If you do not want to be part of the Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Settled Claims.

89. If a person or entity requests to be excluded from the Settlement Class, that person or entity will not receive any benefit provided for in any of the Stipulations.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENTS, PLAN OF ALLOCATION AND FEE AND EXPENSE REQUEST? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENTS?

90. If you do not wish to object in person to the proposed Mills Settlement, E&Y Settlement, KanAm Settlement, Plan of Allocation or fee and expense request, you do not need to attend the Settlement Hearing. You can object to or participate in each of the Settlements, or object to the Plan of Allocation or fee and expense request without attending the Settlement Hearing.

91. The Settlement Hearing will be held on October 8, 2009 at 10:00 a.m. before the Honorable Liam O'Grady, at the United States District Court for the Eastern District of Virginia, Alexandria Division, Albert V. Bryan U.S. Courthouse, 401 Courthouse Square, Courtroom 7, Alexandria, VA 22314. The Court reserves the right to approve each of the Settlements, the Plan of Allocation, or the fee and expense request at or after the Settlement Hearing without further notice to the members of the Class.

92. Any Class Member who does not request exclusion *received* no later than September 17, 2009 may object to the Mills Settlement, the E&Y Settlement, the KanAm Settlement, the Plan of Allocation or the fee and expense request. Objections or oppositions must be in writing. You must file any written objection or opposition, together with copies of all other papers (including proof of all purchases or acquisitions of Mills publicly traded common stock and/or preferred stock during the Class Period) and briefs, with the Clerk's Office at the United States District Court for the Eastern District of Virginia at the address set forth below on or before September 17, 2009. You must also serve the papers on Lead Counsel for the Class and Counsel for the Settling Defendants at the addresses set forth below so that the papers are *received* on or before September 17, 2009.

Clerk's Office

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF
VIRGINIA
ALEXANDRIA DIVISION
Clerk of the Court
Albert V. Bryan U.S. Courthouse
401 Courthouse Square
Alexandria, VA 22314

Counsel for the Mills Entities

HOGAN & HARTSON LLP
George H. Mernick, III, Esq.
555 13th Street, N.W.
Washington, D.C. 20004

Lead Counsel for the Class

BERNSTEIN LITOWITZ
BERGER
& GROSSMANN LLP
Steven B. Singer, Esq.
1285 Avenue of the Americas
New York, NY 10019

Counsel for E&Y

HUGHES HUBBARD & REED
LLP
William R. Stein, Esq.
1775 I Street, N.W.
Washington, DC 20006-2401

BARRACK, RODOS & BACINE
Jeffrey W. Golan, Esq.
3300 Two Commerce Square
2001 Market Street
Philadelphia, PA 19103

Counsel for the KanAm Defendants

ARNOLD & PORTER LLP
Scott B. Schreiber, Esq.
555 12th Street, N.W.
Washington, DC 20004

93. The filing must demonstrate your membership in the Class, including the number of shares of Mills publicly traded common stock and/or preferred stock purchased or otherwise acquired or sold during the Class Period and the price(s) paid and received. You may not object to any of the Settlements, the Plan of Allocation or the fee and expense request, or any aspect of them, if you excluded yourself from the Class or if you are not a member of the Class.

94. You may file a written objection without having to appear at the Settlement Hearing. However, you may not appear at the Settlement Hearing to present your objection unless you first have filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

95. If you wish to be heard orally at the hearing in opposition to the approval of the Mills Settlement, the E&Y Settlement, the KanAm Settlement, the Plan of Allocation or the fee and expense request, and if you have filed and served a timely written objection as described above, you also must notify the above counsel on or before September 17, 2009 concerning your intention to appear. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and the exhibits they intend to introduce into evidence at the hearing.

96. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you decide to hire an attorney, which will be at your own expense, however, he or she must file a notice of appearance with the Court and serve it on Lead Counsel and counsel for the Settling Defendants so that the notice is received on or before September 17, 2009.

97. The Settlement Hearing may be adjourned by the Court without further written notice to the Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to any of the proposed Settlements, the Plan of Allocation, and the fee and expense request. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

98. If you purchased or otherwise acquired Mills publicly traded common stock and/or preferred stock during the Class Period for the beneficial interest of a person or organization other than yourself, you must either (i) send a copy of this Notice and the Claim Form to the beneficial owner of such Mills securities, postmarked no later than fourteen (14) days after you receive this Notice and the Claim Form, or (ii) provide the names and addresses of such persons no later than fourteen (14) days after you receive this Notice to *In re The Mills Corporation Securities Litigation*, c/o The Garden City Group, Inc., P.O. Box 9504, Dublin OH 43017-4804. If you choose the second option, the Claims Administrator will send a copy of the Notice and Claim Form to the beneficial owner. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the Claims Administrator's website www.millssecuritieslitigation.com, or by calling toll-free 1-866-282-3988, or from Lead Counsel's websites, www.blbglaw.com and www.barrack.com.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

99. This Notice contains only a summary of the terms of the proposed Settlements. All inquiries concerning this Notice should be directed to:

Mills Corporation Securities Litigation
c/o The Garden City Group, Inc.
PO Box 9504
Dublin OH 43017-4804
1-866-282-3988

and/or

Steven B. Singer, Esq.
BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP
1285 Avenue of the Americas
New York, NY 10019
(800) 380-8496
blbg@blbglaw.com

Jeffrey W. Golan, Esq.
BARRACK, RODOS & BACINE
3300 Two Commerce Square
2001 Market Street
Philadelphia, PA 19103
(215) 963-0600
jgolan@barrack.com

DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF COURT REGARDING THIS NOTICE.

Dated: July 15, 2009

By Order of the Clerk of Court
United States District Court
for the Eastern District of Virginia
Alexandria Division

Appendix A
Estimated Per Share Inflation in Mills Corp Common Stock
February 27, 2001 - August 11, 2006

| <u>Date</u> | <u>Inflation</u> | <u>Date</u> | <u>Inflation</u> |
|--------------------|------------------|-------------------|------------------|
| 2/27/01 - 5/15/01 | \$ 0.73 | 8/3/04 - 11/8/04 | \$ 14.94 |
| 5/16/01 - 8/8/01 | \$ 1.46 | 11/9/04 - 3/22/05 | \$ 16.88 |
| 8/9/01 - 11/11/01 | \$ 2.18 | 3/23/05 - 5/5/05 | \$ 18.83 |
| 11/12/01 - 2/27/02 | \$ 2.91 | 5/6/05 - 8/4/05 | \$ 21.49 |
| 2/28/02 - 5/9/02 | \$ 3.64 | 8/5/05 - 10/31/05 | \$ 24.15 |
| 5/10/02 - 8/11/02 | \$ 4.37 | 11/1/05 - 11/8/05 | \$ 16.90 |
| 8/12/02 - 11/3/02 | \$ 5.09 | 11/9/2005 | \$ 14.05 |
| 11/4/02 - 2/20/03 | \$ 5.82 | 11/10/05 - 1/6/06 | \$ 11.10 |
| 2/21/03 - 5/8/03 | \$ 6.55 | 1/9/06 - 2/23/06 | \$ 9.71 |
| 5/9/03 - 8/12/03 | \$ 7.67 | 2/24/06 - 3/17/06 | \$ 8.31 |
| 8/13/03 - 11/4/03 | \$ 8.80 | 3/20/06 - 3/22/06 | \$ 4.26 |
| 11/5/03 - 2/16/04 | \$ 9.93 | 3/23/06 - 4/11/06 | \$ 2.65 |
| 2/17/04 - 4/29/04 | \$ 11.05 | 4/12/06 - 8/10/06 | \$ 6.61 |
| 4/30/04 - 8/2/04 | \$ 12.99 | 8/11/06 and After | \$ - |

Appendix B
Statutory Sale Prices for Mills Common Stock
During the 90-Day Period Following the Class Period
August 11, 2006 - November 8, 2006

| <u>Date</u> | <u>Price</u> | <u>Date</u> | <u>Price</u> | <u>Date</u> | <u>Price</u> |
|-------------|--------------|-------------|--------------|-------------|--------------|
| 8/11/2006 | \$ 15.91 | 9/18/2006 | \$ 17.33 | 10/23/2006 | \$ 16.91 |
| 8/14/2006 | \$ 16.68 | 9/19/2006 | \$ 17.34 | 10/24/2006 | \$ 16.91 |
| 8/15/2006 | \$ 16.50 | 9/20/2006 | \$ 17.35 | 10/25/2006 | \$ 16.96 |
| 8/16/2006 | \$ 15.61 | 9/21/2006 | \$ 17.38 | 10/26/2006 | \$ 16.99 |
| 8/17/2006 | \$ 15.18 | 9/22/2006 | \$ 17.38 | 10/27/2006 | \$ 17.02 |
| 8/18/2006 | \$ 15.45 | 9/25/2006 | \$ 17.38 | 10/30/2006 | \$ 17.05 |
| 8/21/2006 | \$ 15.63 | 9/26/2006 | \$ 17.37 | 10/31/2006 | \$ 17.07 |
| 8/22/2006 | \$ 16.09 | 9/27/2006 | \$ 17.36 | 11/1/2006 | \$ 17.08 |
| 8/23/2006 | \$ 16.38 | 9/28/2006 | \$ 17.35 | 11/2/2006 | \$ 17.09 |
| 8/24/2006 | \$ 16.57 | 9/29/2006 | \$ 17.33 | 11/3/2006 | \$ 17.12 |
| 8/25/2006 | \$ 16.66 | 10/2/2006 | \$ 17.30 | 11/6/2006 | \$ 17.15 |
| 8/28/2006 | \$ 16.76 | 10/3/2006 | \$ 17.28 | 11/7/2006 | \$ 17.17 |
| 8/29/2006 | \$ 16.87 | 10/4/2006 | \$ 17.26 | 11/8/2006 | \$ 17.19 |
| 8/30/2006 | \$ 16.97 | 10/5/2006 | \$ 17.22 | | |
| 8/31/2006 | \$ 17.04 | 10/6/2006 | \$ 17.18 | | |
| 9/1/2006 | \$ 17.06 | 10/9/2006 | \$ 17.13 | | |
| 9/5/2006 | \$ 17.10 | 10/10/2006 | \$ 17.07 | | |
| 9/6/2006 | \$ 17.15 | 10/11/2006 | \$ 17.01 | | |
| 9/7/2006 | \$ 17.17 | 10/12/2006 | \$ 16.97 | | |
| 9/8/2006 | \$ 17.21 | 10/13/2006 | \$ 16.94 | | |
| 9/11/2006 | \$ 17.24 | 10/16/2006 | \$ 16.91 | | |
| 9/12/2006 | \$ 17.28 | 10/17/2006 | \$ 16.89 | | |
| 9/13/2006 | \$ 17.31 | 10/18/2006 | \$ 16.88 | | |
| 9/14/2006 | \$ 17.32 | 10/19/2006 | \$ 16.89 | | |
| 9/15/2006 | \$ 17.34 | 10/20/2006 | \$ 16.90 | | |

Appendix C
Estimated Per Share Inflation in Mills Corp Series B Preferred Stock
October 14, 2002 - August 11, 2006

| Date | Inflation |
|-------------------|------------------|
| 10/9/02 - 11/3/02 | \$ 0.82 |
| 11/4/02 - 2/20/03 | \$ 0.93 |
| 2/21/03 - 5/8/03 | \$ 1.05 |
| 5/9/03 - 8/12/03 | \$ 1.23 |
| 8/13/03 - 11/4/03 | \$ 1.41 |
| 11/5/03 - 2/16/04 | \$ 1.59 |
| 2/17/04 - 4/29/04 | \$ 1.77 |
| 4/30/04 - 8/2/04 | \$ 2.09 |
| 8/3/04 - 11/8/04 | \$ 2.40 |
| 11/9/04 - 3/22/05 | \$ 2.71 |
| 3/23/05 - 5/5/05 | \$ 3.02 |
| 5/6/05 - 8/4/05 | \$ 3.45 |
| 8/5/05 - 10/31/05 | \$ 3.88 |
| 11/1/05 - 1/6/06 | \$ 3.27 |
| 1/9/06 - 2/23/06 | \$ 2.93 |
| 2/24/06 - 3/17/06 | \$ 2.41 |
| 3/20/06 - 4/11/06 | \$ 0.92 |
| 4/12/06 - 8/10/06 | \$ 1.61 |
| 8/11/06 and After | \$ - |

Appendix D
Statutory Sale Prices for Mills Series B Preferred Stock
During the 90-Day Period Following the Class Period
August 11, 2006 - November 8, 2006

| Date | Price | Date | Price | Date | Price |
|-------------|--------------|-------------|--------------|-------------|--------------|
| 8/11/2006 | \$ 20.49 | 9/18/2006 | \$ 21.49 | 10/16/2006 | \$ 21.51 |
| 8/14/2006 | \$ 21.12 | 9/19/2006 | \$ 21.51 | 10/17/2006 | \$ 21.52 |
| 8/15/2006 | \$ 21.26 | 9/20/2006 | \$ 21.52 | 10/18/2006 | \$ 21.52 |
| 8/16/2006 | \$ 20.89 | 9/21/2006 | \$ 21.53 | 10/19/2006 | \$ 21.53 |
| 8/17/2006 | \$ 20.57 | 9/22/2006 | \$ 21.55 | 10/20/2006 | \$ 21.55 |
| 8/18/2006 | \$ 20.58 | 9/25/2006 | \$ 21.55 | 10/23/2006 | \$ 21.56 |
| 8/21/2006 | \$ 20.55 | 9/26/2006 | \$ 21.56 | 10/24/2006 | \$ 21.57 |
| 8/22/2006 | \$ 20.75 | 9/27/2006 | \$ 21.56 | 10/25/2006 | \$ 21.60 |
| 8/23/2006 | \$ 20.85 | 9/28/2006 | \$ 21.56 | 10/26/2006 | \$ 21.60 |
| 8/24/2006 | \$ 20.95 | 9/29/2006 | \$ 21.56 | 10/27/2006 | \$ 21.61 |
| 8/25/2006 | \$ 21.00 | 10/2/2006 | \$ 21.55 | 10/30/2006 | \$ 21.61 |
| 8/28/2006 | \$ 21.06 | 10/3/2006 | \$ 21.56 | 10/31/2006 | \$ 21.61 |
| 8/29/2006 | \$ 21.12 | 10/4/2006 | \$ 21.57 | 11/1/2006 | \$ 21.61 |
| 8/30/2006 | \$ 21.17 | 10/5/2006 | \$ 21.56 | 11/2/2006 | \$ 21.61 |
| 8/31/2006 | \$ 21.22 | 10/6/2006 | \$ 21.56 | 11/3/2006 | \$ 21.60 |
| 9/1/2006 | \$ 21.26 | 10/9/2006 | \$ 21.56 | 11/6/2006 | \$ 21.61 |
| 9/5/2006 | \$ 21.31 | 10/10/2006 | \$ 21.55 | 11/7/2006 | \$ 21.62 |
| 9/6/2006 | \$ 21.34 | 10/11/2006 | \$ 21.53 | 11/8/2006 | \$ 21.63 |
| 9/7/2006 | \$ 21.38 | 10/12/2006 | \$ 21.52 | | |
| 9/8/2006 | \$ 21.41 | 10/13/2006 | \$ 21.51 | | |
| 9/11/2006 | \$ 21.42 | | | | |
| 9/12/2006 | \$ 21.44 | | | | |
| 9/13/2006 | \$ 21.45 | | | | |
| 9/14/2006 | \$ 21.47 | | | | |
| 9/15/2006 | \$ 21.48 | | | | |

Appendix E
Estimated Per Share Inflation in Mills Corp Series C Preferred Stock
January 17, 2003 - August 11, 2006

| Date | Inflation |
|--------------------|------------------|
| 12/17/02 - 2/20/03 | \$ 1.17 |
| 2/21/03 - 5/8/03 | \$ 1.32 |
| 5/9/03 - 8/12/03 | \$ 1.54 |
| 8/13/03 - 11/4/03 | \$ 1.77 |
| 11/5/03 - 2/16/04 | \$ 1.99 |
| 2/17/04 - 4/29/04 | \$ 2.22 |
| 4/30/04 - 8/2/04 | \$ 2.61 |
| 8/3/04 - 11/8/04 | \$ 3.00 |
| 11/9/04 - 3/22/05 | \$ 3.39 |
| 3/23/05 - 5/5/05 | \$ 3.78 |
| 5/6/05 - 8/4/05 | \$ 4.32 |
| 8/5/05 - 10/31/05 | \$ 4.85 |
| 11/1/05 - 2/23/06 | \$ 4.13 |
| 2/24/06 - 3/17/06 | \$ 3.51 |
| 3/20/06 - 3/22/06 | \$ 1.72 |
| 3/23/06 - 4/11/06 | \$ 1.23 |
| 4/12/06 - 8/10/06 | \$ 1.84 |
| 8/11/06 and After | \$ - |

Appendix F
Statutory Sale Prices for Mills Series C Preferred Stock
During the 90-Day Period Following the Class Period
August 11, 2006 - November 8, 2006

| Date | Price | Date | Price | Date | Price |
|-------------|--------------|-------------|--------------|-------------|--------------|
| 8/11/2006 | \$ 20.25 | 9/12/2006 | \$ 21.31 | 10/11/2006 | \$ 21.38 |
| 8/14/2006 | \$ 21.00 | 9/13/2006 | \$ 21.32 | 10/12/2006 | \$ 21.36 |
| 8/15/2006 | \$ 21.17 | 9/14/2006 | \$ 21.34 | 10/13/2006 | \$ 21.35 |
| 8/16/2006 | \$ 20.75 | 9/15/2006 | \$ 21.35 | 10/16/2006 | \$ 21.36 |
| 8/17/2006 | \$ 20.47 | 9/18/2006 | \$ 21.35 | 10/17/2006 | \$ 21.36 |
| 8/18/2006 | \$ 20.46 | 9/19/2006 | \$ 21.37 | 10/18/2006 | \$ 21.37 |
| 8/21/2006 | \$ 20.42 | 9/20/2006 | \$ 21.39 | 10/19/2006 | \$ 21.39 |
| 8/22/2006 | \$ 20.64 | 9/21/2006 | \$ 21.40 | 10/20/2006 | \$ 21.41 |
| 8/23/2006 | \$ 20.78 | 9/22/2006 | \$ 21.41 | 10/23/2006 | \$ 21.42 |
| 8/24/2006 | \$ 20.89 | 9/25/2006 | \$ 21.42 | 10/24/2006 | \$ 21.43 |
| 8/25/2006 | \$ 20.97 | 9/26/2006 | \$ 21.42 | 10/25/2006 | \$ 21.46 |
| 8/28/2006 | \$ 21.02 | 9/27/2006 | \$ 21.42 | 10/26/2006 | \$ 21.46 |
| 8/29/2006 | \$ 21.07 | 9/28/2006 | \$ 21.42 | 10/27/2006 | \$ 21.47 |
| 8/30/2006 | \$ 21.10 | 9/29/2006 | \$ 21.42 | 10/30/2006 | \$ 21.47 |
| 8/31/2006 | \$ 21.14 | 10/2/2006 | \$ 21.41 | 10/31/2006 | \$ 21.48 |
| 9/1/2006 | \$ 21.18 | 10/3/2006 | \$ 21.41 | 11/1/2006 | \$ 21.48 |
| 9/5/2006 | \$ 21.22 | 10/4/2006 | \$ 21.42 | 11/2/2006 | \$ 21.48 |
| 9/6/2006 | \$ 21.24 | 10/5/2006 | \$ 21.41 | 11/3/2006 | \$ 21.48 |
| 9/7/2006 | \$ 21.27 | 10/6/2006 | \$ 21.41 | 11/6/2006 | \$ 21.49 |
| 9/8/2006 | \$ 21.29 | 10/9/2006 | \$ 21.40 | 11/7/2006 | \$ 21.50 |
| 9/11/2006 | \$ 21.30 | 10/10/2006 | \$ 21.39 | 11/8/2006 | \$ 21.51 |

Appendix G
Estimated Per Share Inflation in Mills Corp Series E Preferred Stock
May 27, 2003 - August 11, 2006

| Date | Inflation |
|--------------------|------------------|
| 5/5/03 - 5/8/03 | \$ 1.76 |
| 5/9/03 - 8/12/03 | \$ 2.07 |
| 8/13/03 - 11/4/03 | \$ 2.37 |
| 11/5/03 - 2/16/04 | \$ 2.67 |
| 2/17/04 - 4/29/04 | \$ 2.98 |
| 4/30/04 - 8/2/04 | \$ 3.50 |
| 8/3/04 - 11/8/04 | \$ 4.02 |
| 11/9/04 - 3/22/05 | \$ 4.55 |
| 3/23/05 - 5/5/05 | \$ 5.07 |
| 5/6/05 - 8/4/05 | \$ 5.78 |
| 8/5/05 - 10/31/05 | \$ 6.50 |
| 11/1/05 - 11/8/05 | \$ 5.73 |
| 11/9/2005 - 1/6/06 | \$ 5.28 |
| 1/9/06 - 2/23/06 | \$ 4.93 |
| 2/24/06 - 3/17/06 | \$ 3.58 |
| 3/20/06 - 3/22/06 | \$ 1.40 |
| 3/23/06 - 4/11/06 | \$ 1.00 |
| 4/12/06 - 8/10/06 | \$ 2.00 |
| 8/11/06 and After | \$ - |

Appendix H
Statutory Sale Prices for Mills Series E Preferred Stock
During the 90-Day Period Following the Class Period
August 11, 2006 - November 8, 2006

| Date | Price | Date | Price | Date | Price |
|-------------|--------------|-------------|--------------|-------------|--------------|
| 8/11/2006 | \$ 19.90 | 9/15/2006 | \$ 20.83 | 10/19/2006 | \$ 20.86 |
| 8/14/2006 | \$ 20.56 | 9/18/2006 | \$ 20.85 | 10/20/2006 | \$ 20.89 |
| 8/15/2006 | \$ 20.70 | 9/19/2006 | \$ 20.87 | 10/23/2006 | \$ 20.91 |
| 8/16/2006 | \$ 20.29 | 9/20/2006 | \$ 20.88 | 10/24/2006 | \$ 20.92 |
| 8/17/2006 | \$ 19.95 | 9/21/2006 | \$ 20.89 | 10/25/2006 | \$ 20.96 |
| 8/18/2006 | \$ 19.97 | 9/22/2006 | \$ 20.90 | 10/26/2006 | \$ 20.98 |
| 8/21/2006 | \$ 19.95 | 9/25/2006 | \$ 20.90 | 10/27/2006 | \$ 20.98 |
| 8/22/2006 | \$ 20.15 | 9/26/2006 | \$ 20.91 | 10/30/2006 | \$ 20.99 |
| 8/23/2006 | \$ 20.24 | 9/27/2006 | \$ 20.91 | 10/31/2006 | \$ 20.99 |
| 8/24/2006 | \$ 20.32 | 9/28/2006 | \$ 20.90 | 11/1/2006 | \$ 20.99 |
| 8/25/2006 | \$ 20.36 | 9/29/2006 | \$ 20.90 | 11/2/2006 | \$ 20.99 |
| 8/28/2006 | \$ 20.40 | 10/2/2006 | \$ 20.90 | 11/3/2006 | \$ 20.99 |
| 8/29/2006 | \$ 20.45 | 10/3/2006 | \$ 20.90 | 11/6/2006 | \$ 21.01 |
| 8/30/2006 | \$ 20.51 | 10/4/2006 | \$ 20.91 | 11/7/2006 | \$ 21.03 |
| 8/31/2006 | \$ 20.56 | 10/5/2006 | \$ 20.90 | 11/8/2006 | \$ 21.05 |
| 9/1/2006 | \$ 20.62 | 10/6/2006 | \$ 20.90 | | |
| 9/5/2006 | \$ 20.67 | 10/9/2006 | \$ 20.89 | | |
| 9/6/2006 | \$ 20.70 | 10/10/2006 | \$ 20.88 | | |
| 9/7/2006 | \$ 20.73 | 10/11/2006 | \$ 20.86 | | |
| 9/8/2006 | \$ 20.76 | 10/12/2006 | \$ 20.85 | | |
| 9/11/2006 | \$ 20.76 | 10/13/2006 | \$ 20.84 | | |
| 9/12/2006 | \$ 20.78 | 10/16/2006 | \$ 20.84 | | |
| 9/13/2006 | \$ 20.80 | 10/17/2006 | \$ 20.84 | | |
| 9/14/2006 | \$ 20.82 | 10/18/2006 | \$ 20.84 | | |

Appendix I
Estimated Per Share Inflation in Mills Corp Series G Preferred Stock
May 24, 2005 - August 11, 2006

| Date | Inflation |
|-------------------|------------------|
| 5/17/05 - 8/4/05 | \$ 6.26 |
| 8/5/05 - 10/31/05 | \$ 7.04 |
| 11/1/05 - 11/8/05 | \$ 5.49 |
| 11/9/2005 | \$ 5.49 |
| 11/10/05 - 1/6/06 | \$ 4.81 |
| 1/9/06 - 2/23/06 | \$ 4.35 |
| 2/24/06 - 3/17/06 | \$ 3.13 |
| 3/20/06 - 4/11/06 | \$ 1.40 |
| 4/12/06 - 8/10/06 | \$ 2.06 |
| 8/11/06 and After | \$ - |

Appendix J
Statutory Sale Prices for Mills Series G Preferred Stock
During the 90-Day Period Following the Class Period
August 11, 2006 - November 8, 2006

| Date | Price | Date | Price | Date | Price |
|-------------|--------------|-------------|--------------|-------------|--------------|
| 8/11/2006 | \$ 19.00 | 9/15/2006 | \$ 19.92 | 10/19/2006 | \$ 19.88 |
| 8/14/2006 | \$ 19.53 | 9/18/2006 | \$ 19.93 | 10/20/2006 | \$ 19.90 |
| 8/15/2006 | \$ 19.68 | 9/19/2006 | \$ 19.93 | 10/23/2006 | \$ 19.90 |
| 8/16/2006 | \$ 19.26 | 9/20/2006 | \$ 19.95 | 10/24/2006 | \$ 19.91 |
| 8/17/2006 | \$ 18.98 | 9/21/2006 | \$ 19.96 | 10/25/2006 | \$ 19.95 |
| 8/18/2006 | \$ 19.05 | 9/22/2006 | \$ 19.97 | 10/26/2006 | \$ 19.96 |
| 8/21/2006 | \$ 19.07 | 9/25/2006 | \$ 19.98 | 10/27/2006 | \$ 19.97 |
| 8/22/2006 | \$ 19.27 | 9/26/2006 | \$ 19.96 | 10/30/2006 | \$ 19.97 |
| 8/23/2006 | \$ 19.39 | 9/27/2006 | \$ 19.95 | 10/31/2006 | \$ 19.97 |
| 8/24/2006 | \$ 19.48 | 9/28/2006 | \$ 19.94 | 11/1/2006 | \$ 19.97 |
| 8/25/2006 | \$ 19.52 | 9/29/2006 | \$ 19.92 | 11/2/2006 | \$ 19.96 |
| 8/28/2006 | \$ 19.56 | 10/2/2006 | \$ 19.92 | 11/3/2006 | \$ 19.95 |
| 8/29/2006 | \$ 19.62 | 10/3/2006 | \$ 19.93 | 11/6/2006 | \$ 19.95 |
| 8/30/2006 | \$ 19.66 | 10/4/2006 | \$ 19.93 | 11/7/2006 | \$ 19.96 |
| 8/31/2006 | \$ 19.71 | 10/5/2006 | \$ 19.92 | 11/8/2006 | \$ 19.97 |
| 9/1/2006 | \$ 19.76 | 10/6/2006 | \$ 19.91 | | |
| 9/5/2006 | \$ 19.81 | 10/9/2006 | \$ 19.90 | | |
| 9/6/2006 | \$ 19.83 | 10/10/2006 | \$ 19.89 | | |
| 9/7/2006 | \$ 19.84 | 10/11/2006 | \$ 19.87 | | |
| 9/8/2006 | \$ 19.86 | 10/12/2006 | \$ 19.86 | | |
| 9/11/2006 | \$ 19.87 | 10/13/2006 | \$ 19.86 | | |
| 9/12/2006 | \$ 19.89 | 10/16/2006 | \$ 19.87 | | |
| 9/13/2006 | \$ 19.90 | 10/17/2006 | \$ 19.87 | | |
| 9/14/2006 | \$ 19.91 | 10/18/2006 | \$ 19.88 | | |