

**MILLENNIUM TRUSTS
FREQUENTLY ASKED QUESTIONS
As of November, 2016**

PLEASE NOTE THAT THESE FAQs PROVIDE A SUMMARY OF CERTAIN FEATURES OF MILLENNIUM TRUSTS AND ARE INTENDED FOR INFORMATIONAL PURPOSES ONLY. FOR MORE DETAILED INFORMATION REGARDING THE MILLENNIUM TRUSTS, PLEASE CONSULT THE CONFIRMATION ORDER (AS DEFINED BELOW), THE PLAN (AS DEFINED BELOW), OR THE CORPORATE CLAIM TRUST AGREEMENT OR LENDER CLAIM TRUST AGREEMENT DATED AS OF DECEMBER 21, 2015 (THE “TRUST AGREEMENTS”). TO THE EXTENT THAT THERE IS ANY CONFLICT WITH THESE FAQs, THE PLAN, THE CONFIRMATION ORDER AND THE TRUST AGREEMENTS, AS APPLICABLE, SHALL PREVAIL. THESE FAQs ARE SUBJECT TO CHANGE FROM TIME TO TIME, WITHOUT PRIOR NOTICE. PLEASE CONSULT THE LATEST VERSION OF THESE FAQs (AVAILABLE AT [HTTPS://CASES.PRIMECLERK.COM/MILLENNIUMTRUSTS](https://cases.primeclerk.com/millenniumtrusts)) IF YOU HAVE ANY QUESTIONS. ALL CAPITALIZED TERMS NOT OTHERWISE DEFINED ON THIS WEBSITE HAVE THE MEANING ASCRIBED TO THEM IN THE PLAN OR TRUST AGREEMENTS.

1. What is the purpose of the Millennium Trusts (the “Trusts”)?

The primary purpose of the Trusts is to liquidate certain assets on behalf of the Trusts’ beneficiaries. The assets of the Corporate Claim Trust include any and all claims belonging to Millennium or the Administrative Agent under the prepetition credit agreement against third parties that were not “Released Parties” under the Plan. The assets of the Lender Claim Trust include any and all claims belonging to the prepetition lenders who voted in favor of the Plan against third parties that were not “Released Parties” under the Plan. All prepetition lenders are beneficiaries of the Corporate Claim Trust, but only prepetition lenders who voted in favor of the Plan are beneficiaries of the Lender Claim Trust.

2. How are the Trusts governed?

A Trustee, Marc S. Kirschner, has been appointed to administer both Trusts. Each of the Trusts has three Trust Advisory Board Members: Eugene I. Davis, Chair; Matthew Cantor; and Alan D. Halperin. The respective rights, powers and duties of the Trustee and Board of Trust Advisors are set forth in the Trust Agreements.

3. How long will the Trusts exist?

Each Trust will have an initial term of five years from the Equity Transfer Date, subject to extension from time to time as provided under Article X of the Trust Agreements. The Equity Transfer Date is December 21, 2015.

4. Who are the beneficial owners of the Trusts and what is the nature of their ownership?

The beneficial owners of the Trusts are former lenders of the Debtors who held allowed claims against the Debtors as of the Distribution Record Date established under the Plan, but only lenders who voted in favor of the Plan are beneficiaries of the Lender Claim Trust. Ownership in the Trusts is evidenced by beneficial “Interests” in the Trusts (a “Unit”), recorded via electronic “book entry system” on the books and records of the Trusts. No affirmative steps are necessary in order to receive Units. Holders of record of allowed lender claims as of such date automatically received Units as of the Effective Date of the Plan as provided in the Plan. Wilmington Savings Fund Society, FSB (“WSFS”) is Registrar and Transfer Agent for the Trusts and will maintain the official record of Units in each Trust. WSFS can be contacted at: 500 Delaware Avenue, Wilmington, Delaware, 19801; (302) 792-6000; Attn: Patrick J. Healy, Vice President; phealy@wsfsbank.com. The initial percentage beneficial interests as of the Effective Date of the Plan in each Trust are listed here: <https://cases.primeclerk.com/millenniumtrusts>.

5. Will Interests in the Trusts be evidenced by certificates?

No.

6. Are Interests in the Trusts freely transferrable?

No. The conditions for transferability are described in Section 3.5 of each Trust Agreement. The required forms to effectuate any transfer for approval by the Trust can be located under Documents on the web site. Transfers are also subject to a transfer fee of \$1,000 per transfer, per Trust. Transfer fees are assessed on a case-by-case basis, but may be aggregated in the event a transferor holds through multiple affiliated funds. Fees are payable by check or wire transfer. Wire instructions and further information about the requirements to accomplish a transfer of Units can be obtained by contacting Philip Flink or Daniel Riley at Brown Rudnick LLP at (617) 856-8200.

7. Are Interests in the Trusts tied in any way to the securities of the Reorganized Debtors?

No.

8. How are assets in the Trusts valued?

Under the Trust Agreements, the Trustee had 180 days after the Equity Transfer Date to value the Trust Assets for all U.S. federal income tax purposes. As required pursuant to Section 9.5 of the Trust Agreements, the value of these assets has been estimated in good faith for tax purposes only on the effective date of the Trusts at \$1,000,000 for the Corporate Claim Trust and \$2,000,000 for the Lender Claim Trust. The precise nature and amount of any future distribution to the holders of the Interests in the Trusts is subject to litigation and is speculative. At this time, the actual amount of recoveries cannot be determined with any certainty.

9. Have the Trusts retained counsel to investigate and prosecute potential claims against third parties?

Yes. The Trusts have retained Wollmuth Maher & Deutsch LLP and Brown Rudnick LLP as co-counsel to investigate and prosecute certain claims assigned to the Trusts against third

parties not released under the Plan. The investigation concerns the April 2014 sale of a \$1.8 billion loan to Millennium for which J.P. Morgan Securities LLC and Citibank Global Markets acted as joint lead arrangers and joint bookrunners.

Wollmuth Maher is one of the country's leading firms focused on representing institutional investors seeking to recover investment losses through direct actions rather than by participating in class actions. The firm handles cases involving investments of all kinds, including in particular structured products, such as CDOs, CLOs, RMBS, CMBS, and TruPS. Wollmuth Maher is currently litigating direct claims totaling over \$15 billion, for such clients as the FDIC, the National Credit Union Administration, American International Group, Commerzbank, Pacific Life, Ambac Assurance, and Western & Southern Financial Group.

Brown Rudnick, an international law firm with offices in the United States and Europe, represents clients in high-stakes litigation, international arbitration, and complex business transactions. Clients include major public and private corporations, as well as start-up enterprises. Brown Rudnick also represents investors, lenders, and committees of each in prominent corporate restructurings. Founded more than 60 years ago, Brown Rudnick has over 230 lawyers across areas of legal practice. Brown Rudnick previously represented an ad hoc group of prepetition lenders in connection with the negotiation and confirmation of Millennium's Plan.

10. How are Interests in the Trusts determined and allocated?

Interests in the Trusts will be valued by the Trustee for income tax purposes only (see FAQ 8). Interests in the Corporate Claim Trust are allocated among holders of Corporate Claim Trust Units pro rata in accordance with their allowed claims; interests in the Lender Claim Trust are allocated among holders of Lender Claim Trust Units pro rata in accordance with allowed claims of the prepetition lenders who voted in favor of the Plan.

11. What are the Federal Income Tax Consequences of the Receipt and Ownership of Trust Interests?

THE FOLLOWING IS A SUMMARY OF CERTAIN TAX INFORMATION RELATED TO THE RECEIPT AND OWNERSHIP OF INTERESTS IN THE TRUSTS. PLEASE NOTE THAT NEITHER THE TRUST, NOR THE TRUSTEE, NOR ITS ATTORNEYS CAN GIVE TAX ADVICE TO TRUST BENEFICIARIES OR ANY OTHER PERSON. TAX MATTERS ARE COMPLICATED AND THE TAX CONSEQUENCES OF HOLDING A UNIT AND THE RELATED DISTRIBUTIONS TO YOU WILL DEPEND ON YOUR PARTICULAR TAX SITUATION. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR TO FULLY UNDERSTAND THE TAX CONSEQUENCES THEREOF TO YOU.

Each holder of a Claim receiving Units under the Plan should seek advice based on its particular circumstances from an independent tax advisor. For general information purposes only, the receipt and ownership of Units by a holder of an allowed claim receiving Units under the Plan may give rise to income, gain or loss to such holder, depending on such holder's

particular circumstances, and receipt and distribution of proceeds of recoveries on claims held by the Trusts.

This summary deals with general issues. It does not deal with the consequences of more detailed issues, such as tax consequences in the event of a sale or purchase of Units. For a more detailed summary, please review: Article IX of the Disclosure Statement Relating to the Second Amended Joint Plan of Reorganization for the Debtors' reorganization contained in the Debtor's website at <https://cases.primeclerk.com/millenniuminfo>.

a. What is the nature of a Unit for U.S. federal income tax purposes?

A Unit is not like stock in a corporation for tax purposes. Rather, each Trust is intended to qualify as a "grantor trust" for U.S. federal income tax purposes. Under U.S. federal income tax laws, a grantor trust is disregarded, and the grantors - the holders of Units - are treated as receiving in exchange (in whole or in part) for their claims a *direct* ownership interest in the underlying assets of each Trust, and each holder of a Unit continues to be treated thereafter as a *direct* owner of an undivided interest in the underlying assets of their respective Trust.

b. How is a holder taxed on its Units?

i. Corporate Claim Trust Units

For U.S. federal income tax purposes, the Corporate Claim Trust is intended to qualify as a "liquidating trust" as described in Treasury Regulations Section 301.7701-4(d). All holders of Units in the Corporate Claim Trust must treat the initial transfer of assets to the Trust as (1) a transfer of the assets to the beneficiaries of the Corporate Claim Trust followed by (2) a transfer of the assets by such beneficiaries to the Corporate Claim Trust, with the beneficiaries being treated as the grantors and owners of the Corporate Claim Trust. The extent to which property received by a holder of an Existing Credit Agreement Claim will be attributable to accrued but unpaid interest is unclear (see Article IX.B of the Disclosure Statement for further discussion of this topic). A holder of Units will generally recognize gain or loss equal to the difference between the holder's adjusted basis in its Existing Credit Agreement Claim and the amount realized by the holder upon consummation of the Plan that is not attributable to accrued but unpaid interest. The amount realized will equal the sum of the fair market value of the consideration received. The character of any gain or loss that is recognized will depend upon a number of factors and considerations (see Article IX.B of the Disclosure Statement for further discussion of this topic).

ii. Lender Claim Trust Units

For U.S. federal income tax purposes, all holders of Units in the Lender Claim Trust must treat the transfer of assets to the Lender Claim Trust as a transfer of the assets by such beneficiaries to the Lender Claim Trust, with the beneficiaries being treated as

the grantors and owners of the Lender Claim Trust (see Article IX.B of the Disclosure Statement for further discussion of this topic).

Very generally, after receiving its Unit, on an annual basis, a holder is taxed as if directly receiving the income, gain, deduction or loss on its portion of the underlying assets of the Trusts. Therefore, a holder must take into account in the determination of its own taxable income for U.S. federal income tax purposes its allocable share of any income earned by the Trusts, regardless of whether a contemporaneous or commensurate cash distribution is made to the holder by the Trusts.

c. Will holders of Units receive information regarding the Trusts for their tax returns?

Yes. Each Trust will be required to file federal income tax returns on IRS Form 1041 as a grantor trust and report, but not pay tax on, its respective items of income, gain, loss deductions and credits (the “**Tax Items**”). As a grantor trust, each Trust is not required to prepare Schedules K-1 for the beneficiaries. Rather, the Trust will provide each beneficiary with a “Grantor Letter” detailing its pro-rata share of such Tax Items for U.S. federal income tax purposes. Each holder of a Unit will be required to report its proportionate share of such Tax Items, as reported on the Grantor Letter, on its U.S. federal income tax return, and pay any resulting U.S. federal income tax liability, regardless of whether the Trustee distributes sufficient cash to fund the tax. For the short period December 21, 2015 through December 31, 2015, the Trusts did not have income or deductions to report to the Trusts' beneficiaries; therefore, for 2015, the beneficiaries will not be receiving Grantor Letters.

d. Is income that is paid with respect to a Unit held by a non-U.S. Person subject to foreign tax withholding?

Holders of Units will be taxed on their respective proportionate shares of the Trust's income or gain, if any, in each taxable year of each Trust, and will be responsible for paying the taxes associated with such income or gain regardless of whether they received any distributions from each Trust. For this purpose, income may include all or a portion of the proceeds of litigation.

Generally, non-U.S. Persons who own Units will be subject to withholding at a rate of 30% on their respective share of the income earned by each Trust during the time such non-U.S. Person holds Units. A reduced rate, including exemption, may apply under a tax treaty between the non-U.S. person's country of residence and the United States. A non-U.S. Person that is eligible for a reduced rate of withholding (or exemption) pursuant to a tax treaty must certify that fact to the Trusts by providing a properly executed IRS Form W-8BEN or other appropriate form. In addition, if the income is considered to be effectively connected with the conduct of a trade or business within the United States, withholding may not apply. To obtain an exemption from withholding based on the grounds that the income received is effectively connected with the conduct of a trade or business within the United States, the owner of a Unit who is a

non-U.S. Person must furnish a properly executed IRS Form W-8ECI. These forms can be obtained from the IRS's website (<http://www.irs.gov>).

Non-U.S. Persons are encouraged to consult their tax advisors regarding the application of U.S. federal income tax withholding, including eligibility for a tax withholding reduction or exemption.

e. Is income that is paid with respect to a Unit held by a U.S. Person subject to Backup Withholding Tax?

Yes. Backup withholding generally applies if the holder (1) fails to furnish its social security number or other taxpayer identification number (“TIN”), (2) furnishes an incorrect TIN, (3) is notified by the IRS of a failure to report interest or dividends properly, or (4) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is correct and that the holder is a United States person that is not subject to backup withholding. Certain persons are exempt from backup withholding, including, under certain circumstances, corporations and financial institutions. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a holder's U.S. federal income tax liability, and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS (generally, a U.S. federal income tax return).

U.S. Persons are encouraged to consult their tax advisors regarding the application of backup withholding.

12. Will the Trusts maintain records of the specific percentage of each Trust owned by beneficial owners of each Trust and where will such record be maintained?

Yes. The Trusts have appointed WSFS as Registrar and Transfer Agent to maintain the identity of ownership of Units on the books and records of each Trust. WSFS will also serve as the Trusts' agent to make distributions under each Trust Agreement to holders of Units.

13. How will the Trusts be funded?

On the Equity Transfer Date, December 21, 2015, the Corporate Claim Trust received \$1,000,000 and the Lender Claim Trust received \$2,000,000 under the Plan from Reorganized Millennium. In addition to this initial funding, Reorganized Millennium is obliged to pay the reasonable fees and expenses of administering the Corporate Claim Trust and liquidating the Retained Corporate Causes of Action (including, for the avoidance of doubt, professional fees related thereto) upon receipt of an invoice therefor (not to exceed \$10,000,000 in the aggregate of all such funds advanced to both the Corporate Claim Trust and the Lender Claim Trust). Once this \$10,000,000 is exhausted, Millennium shall advance additional funds from the Trust Delayed Draw Facility (not to exceed \$7,000,000 in the aggregate of all such funds advanced to both the Corporate Claim Trust and the Lender Claim Trust) in respect of fees and costs of the Trusts at the request of the Trusts respective Trust Advisory Boards. Amounts advanced by Reorganized Millennium to the Trusts and/or Lender Claim Trust by virtue of draws on the Trust

Delayed Draw Facility shall be reimbursed to it, without interest, from net proceeds recovered by the Trusts and/or Lender Claim Trust (*i.e.*, gross recoveries from liquidation of the Causes of Action less any costs incurred in administering the Trusts and in connection with prosecution, settlement or liquidation of the Causes of Action which have not previously been reimbursed or paid by the Reorganized Millennium). The initial aggregate \$3,000,000 in cash contributions to the Corporate Claim Trust and Lender Claim Trust and subsequent payment of up to a total of \$10,000,000 of invoices to both Trusts shall not be required to be reimbursed.

14. When will distributions of net Trust proceeds be made to holders of Units?

Distributions of net Trust proceeds (*i.e.*, proceeds after payment of all expenses and fees) will only be made to holders of Units if and when the Trusts successfully achieve settlement or judgment on claims they have against third parties.

15. What financial information will be provided by the Trusts to the beneficiaries?

The Trusts plan to post on this Website quarterly and annual unaudited summary reports as to the Trusts' activities pursuant to section 4.15(c) of the Trust Agreements.