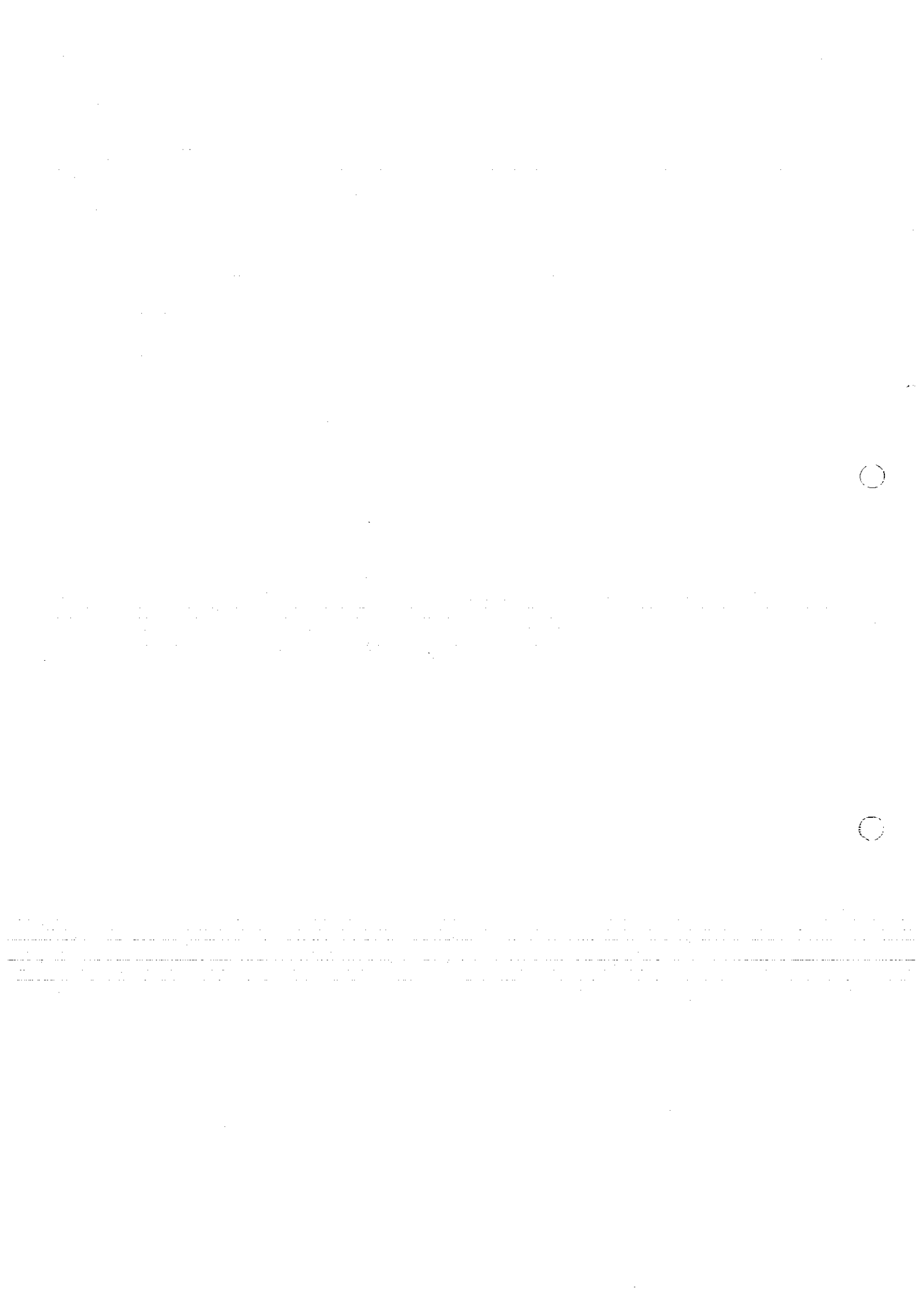


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**COSTS AND EXPENSES TO BE DEDUCTED FROM
THE TOTAL SETTLEMENT PAYMENT**

As set forth in the Petition, the Total Settlement Payment of USD 58,400,000 will be reduced by necessary costs and expenses incurred in connection with implementing the Agreements for the benefit of the Non-U.S. Exchange Purchasers. Those costs and expenses include primarily (i) the fees of Principal Counsel for the legal services provided in litigating, negotiating, and achieving the Agreements in this matter on behalf of the Non-U.S. Exchange Purchasers; (ii) operating costs of the Foundation; and (iii) expenses relating to notice and claims administration. At this time, it is not possible to determine the total amount of deductions from the Total Settlement Payment. The following is a statement of the deductions that will be made from the Total Settlement Payment to the extent that those amounts are known; estimates, where available, for other costs and expenses that will necessarily be incurred; and an itemization of other costs and expenses that will necessarily be incurred, but that the parties are unable at this time to estimate.

Pursuant to the terms of the Agreements, deductions from the Total Settlement Payment will be made for the following costs and expenses, which relate to the achievement and implementation of the Settlements for the benefit of the Non-U.S. Exchange Purchasers.

	USD*	EUROS*
Foundation Expenses: Currently budgeted for 2009-2015 (see Exhibit B to the Agreements)	2,124,575.02	1,559,751
Principal Counsel's Attorneys' Fees and Expenses (20% of Total Settlement Amount)	11,680,000	8,577,323.92
Estimated Fees of Claims Administrator (this estimate does not include costs of travel (the necessity of which will depend on whether the Claims Administrator will be required to attend any Court hearings or Dispute Resolution Body hearings), as well as extra postage, telephone line charges, copies, and	600,000	440,560.33

overnight courier) (see Exhibit 23 to the Petition)		
Estimated Costs of Dutch Mailing House (includes, among other things, costs of developing a database of Non-U.S. Exchange Purchasers, printing and mailing the Hearing Announcement, Binding Declaration Notice, and Proof of Claim Forms) Estimate includes 19% VAT	960,310.27	705,000
Estimated Costs of bailiff for service of the Hearing Announcement pursuant to the Hague Convention Estimate includes 19% VAT	1,035,263.22	760,000
Estimated costs, based on current prices, of publication of two summary notices, <i>i.e.</i> , the Hearing Summary Announcement and the Binding Declaration Summary Notice, in seventeen (17) newspapers and over two newswire services	500,000	367,173.94
Estimated Costs of translating notices, summary notices, and Proof of Claim Form into at least four languages	Not Available	Not Available
Dispute Resolution Body fees and expenses (if any) (The primary cost will be the fees of the DRB Member, whom the parties intend to be a retired Dutch Judge)	Not Available	Not Available
Taxes and the costs of preparing any tax returns, if applicable	Not Available	Not Available
Estimated Bank and Escrow Agent fees and expenses Estimate includes VAT with respect to Escrow Agent	251,991.24	184,990

* Based on conversion rate as of September 30, 2010.

DEDUCTIONS FROM THE TOTAL SETTLEMENT PAYMENT TO DATE

The Settlement Payments were deposited into separate escrow accounts. Until the execution of the ZFS Agreement, the ZFS payment had been part of the escrow account established at Valley National Bank ("Valley") in the United States, into which account the entirety of ZFS' payment to resolve both the U.S. Action and the claims of the Non-U.S. Exchange Purchasers (i.e., USD 28 million) had been deposited. As set forth in paragraph 1.9, USD 18.4 million of that amount was allocated to the claims of the Non-U.S. Exchange Purchasers. The entirety of Converium's payment to resolve the claims of the Non-U.S. Exchange Purchasers, i.e., USD 40 million, was deposited into accounts at ABN AMRO in the Netherlands pursuant to a separate escrow agreement.

Pursuant to the terms of the Agreements, and to meet operating expenses of the Foundation, several transfers have been made to date from each of the escrow accounts holding the Settlement Payments to the operating account of the Foundation. Those transfers are as follows:

Date	ZFS Settlement Payment		Converium Settlement Payment	
	USD*	Euros	USD*	Euros
Feb/Mar 2009	62,370	47,250	140,613.37	102,750
Oct/Nov 2009	111,750	75,000	114,306.30	75,000
Mar/June 2010	69,350	50,000	62,046.60	50,000
Sept. 2010		132,750		77,250
TOTAL		305,000		305,000

* USD amounts are based on the conversion rates at the time of transfer.

Additionally, pursuant to the terms of the Converium Agreement, on 3 August 2010, Converium transferred 200,000 Euros to the Foundation. In total, as of 28 September 2010, the Foundation has received 810,000 Euros from the Total Settlement Payment. Payments made or expenses incurred by the Foundation through 30 June 2010 are as follows:

Foundation's operational expenses	Audited Actual Year 2009 €	Actual 2010 Q1 & Q2 €	Total Paid or Payable up to June 30, 2010 €
Remuneration Boardmembers			
Chairman		35,175	
Secretary		5,366	
Treasurer		10,204	
Travel and misc.		<u>1,930</u>	
	<u>54,052</u>	<u>52,675</u>	<u>106,727</u>
Legal Services			
Dutch Counsel (Pels Rijcken & Droogleever Fortuijn N.V.)	134,037	95,230	
Expert Opinions in Support of the Petition and Settlement Distribution Plan	<u>111,379</u>	<u>3,207</u>	
	<u>245,416</u>	<u>98,437</u>	<u>343,853</u>
Information Costs			
Website			
Media advisor			
Mailing costs			
	<u>1,844</u>	<u>2,083</u>	<u>3,927</u>
Auditors			
Yearly audit			
Extra services/advice			
	<u>12,000</u>		<u>12,000</u>
Administrative Services			
Bureau De Jong & Osborne	10,235	26,949	37,184
Miscellaneous (includes, D&O insurance, bank-costs, exchange differences, chamber of commerce registration, among others)	6,249	1,378	7,627
VEB Expenses		89,250	89,250
Grand Total	329,796	270,772	600,568

On 16 August 2010, the balance of the ZFS Settlement Payment, USD 18,333,821.84, was transferred from Valley to the escrow account established by the parties pursuant to the terms of the ZFS Agreement (the "ZFS Settlement Escrow Account"). Because the ZFS Settlement Payment had been deposited in the United States, interest earned on the amount was subject to United States taxes. Additionally, bank charges for investment fees and wire transfer fees were paid from the account. Before the funds were transferred to the ZFS Settlement Escrow Account, the proportionate share of the interest earned was added to the Settlement Payment, and the proportionate share of taxes paid and fees incurred was deducted.¹

On 20 August 2010, USD 39,758,000 from the Converium Settlement Payment was transferred from the account that had been established at ABN AMRO in 2008 to the escrow account established by the parties pursuant to the terms of the Converium Agreement (the "Converium Foreign Escrow Account"). In addition to the earlier transfers made to the Foundation, bank fees were deducted from the balance prior to transfer. There currently remains USD 11,998.01 on deposit in the US Dollar account at ABN AMRO that will be transferred to the Converium Foreign Escrow Account.

¹ The proportionate share of these costs and expenses was calculated by dividing the portion of the ZFS payment allocated to settling the Claims of Non-U.S. Exchange Purchasers by the total amount deposited into the account, *i.e.* USD 18.4 million divided by USD 103 million (the total of ZFS's payment to resolve the U.S. Action and the claims of the Non-U.S. Exchange Purchasers (USD 28 million) plus Converium's payment to resolve the U.S. Action (USD 75 million)).

