

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

In Re DVI, Inc. Securities Litigation : **Case No. 2:03-CV-5336-LDD**
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**NOTICE OF HEARING ON PROPOSED SETTLEMENTS, PLAN OF ALLOCATION, ATTORNEYS'
FEES AND EXPENSES, LEAD PLAINTIFFS' COST RECOVERY/SERVICE AWARD AND
VOLUNTARY DISMISSAL OF TWO DEFENDANTS ("NOTICE")**

TO: All persons and entities who purchased or otherwise acquired the securities of DVI, Inc. (including its common stock and 9 7/8% Senior Notes) between August 10, 1999 and August 13, 2003, inclusive, and who were thereby damaged. Excluded from the class are the Defendants; any entity in which a Defendant has a controlling interest or is a part or subsidiary of, or is controlled by a Defendant; the officers, directors, legal representatives, heirs, predecessors, successors and assigns of any of the Defendants; and Lead Plaintiffs named in WM High Yield Fund, et al. v. O'Hanlon, et al., No. 04-CV-3423 (E.D. Pa.) [hereinafter referred to separately and interchangeably as the "Class," "Class Members," and "Members of the Class"].

This Notice serves to inform all Class Members of settlements that will affect all Class Members' rights and under which they may be entitled to recovery. Specifically, Class Members may be entitled to share in settlements of \$2,200,000 cash received from Defendants Deloitte & Touche LLP ("Deloitte"), Harry T.J. Roberts ("Roberts") and John P. Boyle ("Boyle"), in settlements of all pending or potential claims against them, less court approved attorneys' fees and costs, and Lead Plaintiffs' Cost Recovery and Service Award.

This Notice also serves to notify Class Members of a voluntary dismissal of two Defendants, Steven Garfinkel ("Garfinkel") and Michael A. O'Hanlon ("O'Hanlon").

To claim benefits that may be due to you, you must submit a Proof of Claim on the form attached to this Notice postmarked on or before June 12, 2015

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION. IF YOU ARE A CLASS MEMBER, YOU ULTIMATELY MAY BE ENTITLED TO RECEIVE BENEFITS PURSUANT TO THE PROPOSED SETTLEMENTS DESCRIBED HEREIN. ADDITIONALLY, PARTICULARLY SINCE CAPITALIZED TERMS NOT DEFINED HEREIN THAT ARE DEFINED IN THE STIPULATIONS HAVE THE MEANING SET FORTH THEREIN, YOU SHOULD REVIEW THOSE STIPULATIONS CAREFULLY.

CLAIMS DEADLINE: FOR THOSE MEMBERS OF THE CLASS WHO DID NOT SUBMIT A PROOF OF CLAIM FORM IN THE SETTLEMENT WITH DEFENDANTS ONCURE MEDICAL CORP., DOLPHIN MEDICAL, INC. AND PRESGAR IMAGING LC, APPROVED BY THE COURT ON NOVEMBER 17, 2006 (HEREINAFTER REFERRED TO AS THE "NOVEMBER 17, 2006 SETTLEMENT"), OR IN THE SETTLEMENT WITH DEFENDANTS NATHAN SHAPIRO, WILLIAM GOLDBERG AND JOHN McHUGH, APPROVED BY THE COURT ON NOVEMBER 5, 2007 (HEREINAFTER REFERRED TO AS THE "NOVEMBER 5, 2007 SETTLEMENT"), OR IN THE SETTLEMENT WITH DEFENDANT MERRILL LYNCH & CO., INC., APPROVED BY THE COURT ON APRIL 30, 2008 (HEREINAFTER REFERRED TO AS THE "APRIL 30, 2008 SETTLEMENT"), OR IN THE SETTLEMENT WITH THOMAS J.

PRITZKER AND THE PRITZKER ORGANIZATION LLC, APPROVED BY THE COURT ON APRIL 15, 2009 AMENDED ON AUGUST 28, 2009 (HEREINAFTER REFERRED TO AS THE “AUGUST 28, 2009 SETTLEMENT”), OR IN THE SETTLEMENT WITH GERALD COHN, APPROVED BY THE COURT ON MAY 20, 2011 (HEREINAFTER REFERRED TO AS THE “MAY 20, 2011 SETTLEMENT”), YOU MUST SUBMIT A PROOF OF CLAIM, ON THE FORM ACCOMPANYING THIS NOTICE, POSTMARKED ON OR BEFORE JUNE 12, 2015, TO BE ENTITLED TO RECOVERY IN THIS SETTLEMENT.

FOR THOSE MEMBERS OF THE CLASS WHO SUBMITTED A VALID PROOF OF CLAIM FORM IN THE NOVEMBER 17, 2006 SETTLEMENT, THE NOVEMBER 5, 2007 SETTLEMENT, THE APRIL 30, 2008 SETTLEMENT, THE AUGUST 28, 2009 SETTLEMENT, OR IN THE MAY 20, 2011 SETTLEMENT, THAT PROOF OF CLAIM FORM WILL SERVE AS YOUR PROOF OF CLAIM FORM IN THIS SETTLEMENT AND YOU ARE AUTOMATICALLY ELIGIBLE FOR A RECOVERY IN THIS SETTLEMENT WITHOUT NEEDING TO SUBMIT ANOTHER PROOF OF CLAIM FORM.

FOR THOSE MEMBERS OF THE CLASS WHO DID NOT SUBMIT A VALID PROOF OF CLAIM FORM IN THE NOVEMBER 17, 2006 SETTLEMENT, THE NOVEMBER 5, 2007 SETTLEMENT, THE APRIL 30, 2008 SETTLEMENT, IN THE AUGUST 28, 2009 SETTLEMENT OR IN THE MAY 20, 2011 SETTLEMENT, SUBMITTING A PROOF OF CLAIM FORM IN THIS SETTLEMENT DOES NOT ENTITLE YOU TO RECOVERY IN THE NOVEMBER 17, 2006 SETTLEMENT, THE NOVEMBER 5, 2007 SETTLEMENT, THE APRIL 30, 2008 SETTLEMENT, THE AUGUST 28, 2009 SETTLEMENT, OR IN THE MAY 20, 2011 SETTLEMENT.

I. PURPOSE OF THIS NOTICE

The purpose of this Notice is to inform you of proposed Settlements that will affect all Class Members’ rights and of the voluntary dismissal of Defendants Garfinkel and O’Hanlon. This Notice describes rights you may have under the proposed Settlements and what steps you may take in relation to this Litigation. This Notice is not an expression of any opinion by the Court as to the merits of any claims or any defenses asserted by any party in this Litigation, or the fairness or adequacy of the proposed Settlements.

The proposed Settlements create a fund (the “Settlement Fund”) in the amount of \$2,200,000 in cash (the “Settlement Amount”) and will include interest that accrues on the fund prior to distribution. The average cost per share and per note will vary depending on the number of shares and notes for which claims are filed.

By Order of the Court, this Notice is being sent to you in the belief that you may be a Member of the Class, to inform you as follows:

- SETTLEMENTS OF THE LITIGATION HAVE BEEN REACHED, SUBJECT TO COURT APPROVAL. THESE SETTLEMENTS ARE WITH DEFENDANTS DELOITTE, ROBERTS AND BOYLE, AND INCLUDE A RELEASE OF ANY AND ALL CLAIMS AGAINST DELOITTE, ROBERTS AND BOYLE. THE TERMS OF THESE SETTLEMENTS ARE DESCRIBED IN SECTION IV BELOW.
- IF YOU MEET THE DEFINITION OF THE CLASS AS OF THE EFFECTIVE DATE, YOU ARE A MEMBER OF THE CLASS AND YOU WILL BE BOUND BY THE SETTLEMENTS AND THE RELEASES THAT ARE GIVEN PURSUANT THERETO, UNLESS YOU ACT TO EXCLUDE YOURSELF PURSUANT TO THE INSTRUCTIONS IN SECTION VI BELOW. IF YOU WISH TO REMAIN A MEMBER OF THE CLASS AND TO BE BOUND BY THE SETTLEMENTS AND RELEASES, YOU DO NOT NEED TO TAKE ANY ACTION IN RESPONSE TO THIS NOTICE OTHER THAN WHAT IS OUTLINED IN SECTION VII BELOW TO ESTABLISH THE DOLLAR AMOUNT OF YOUR CLAIM.
- THE LITIGATION IS NOT CONTINUING AGAINST TWO OTHER DEFENDANTS – O’HANLON AND GARFINKEL. DEFENDANT GARFINKEL HAS BEEN VOLUNTARILY DISMISSED WITH PREJUDICE AS A RESULT OF WHAT PLAINTIFFS’ COUNSEL CLAIMS IS HIS COOPERATION WITH LEAD PLAINTIFFS AND HIS INABILITY TO PAY A JUDGMENT. DEFENDANT

O'HANLON HAS BEEN VOLUNTARILY DISMISSED WITHOUT PREJUDICE AS A RESULT OF WHAT PLAINTIFFS' COUNSEL HAS DETERMINED IS HIS INABILITY TO PAY A JUDGMENT AT THIS TIME.

- YOU MAY OBTAIN MORE DETAILED INFORMATION ABOUT THE LITIGATION BY ACCESSING THE COURT FILE.

Additionally, Lead Plaintiffs have agreed to voluntarily dismiss Garfinkel with prejudice and O'Hanlon without prejudice from this case. The Court has approved the parties' Stipulations of Voluntary Dismissal.

II. A DESCRIPTION OF THE LAWSUIT AND STATUS OF THE PROCEEDINGS

The Fifth Amended Consolidated Class Action Complaint (the "Complaint") alleges that during the Class Period certain defendants prepared and disseminated to the investing public materially false and misleading information about DVI's financial condition and results of operations, and/or engaged in deceptive schemes to conceal DVI's financial position, in order to artificially inflate the prices of DVI's publicly-traded securities.

It is further alleged that the culmination of this alleged misconduct resulted in DVI publicly disclosing its intention, on August 13, 2003, to petition for Chapter 11 bankruptcy protection based on the "discovery of apparent improprieties in its prior dealings with lenders involving misrepresentations as to the amount and nature of collateral pledged to lenders." On August 25, 2003, DVI filed for bankruptcy protection and, thereafter, liquidated.

In this case, the Complaint alleged that certain defendants' misconduct violated federal securities laws and damaged investors who purchased or otherwise acquired the artificially inflated DVI's securities prices during the Class Period.

This Litigation – which had named 18 defendants, many of whom previously entered into settlements totaling \$21.635 million – remains pending against an officer, John P. Boyle, and a director, Harry T.J. Roberts, and DVI's auditor, Deloitte; raising claims under Section 10(b) of the Securities & Exchange Act of 1934, 15 U.S.C. § 78j(b) ("Exchange Act"), and Rule 10b-5, 17 C.F.R. § 240.10b-5, promulgated by the Securities and Exchange Commission; and under Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a).

Motions to Dismiss Plaintiffs' claims filed by Defendants were addressed by the Court and denied in large part on May 31, 2005 and August 11, 2006. Motions for reconsideration and for interlocutory appeal of the May 31, 2005 ruling were also denied by the Court on February 16, 2006.

The parties engaged in extensive document discovery and conducted numerous depositions of fact and expert witnesses. After discovery was completed, certain defendants filed Motions for Summary Judgment including Defendant Deloitte. On September 3, 2010, the Court granted in part and denied in part, Deloitte's motion.

The settling parties also made extensive pretrial submissions in preparation for a trial scheduled for January 21, 2015.

III. THE CERTIFIED CLASS

On April 29, 2008, the Court granted Lead Plaintiffs' motion for class certification, certifying a class pursuant to Federal Rule of Civil Procedure 23(a) and 23(b)(3). The class definition was amended on April 30, 2008 and December 30, 2008. Pursuant to the December 30, 2008 order, the class is defined as: All persons or entities who purchased or otherwise acquired the securities of DVI, Inc. (including its common stock and 9 7/8% Senior Notes) between August 10, 1999 and August 13, 2003, inclusive, and who were thereby damaged. Excluded from the class are Defendants; any entity in which a Defendant has a controlling interest or is a part or subsidiary of, or is controlled by a Defendant; the officers, directors, legal representatives, heirs, predecessors, successors and assigns of any of the Defendants; and Plaintiffs named in WM High Yield Fund, et al. v. O'Hanlon et al., No. 04-CV-3423 (E.D. Pa.).

Lead Plaintiff/Class Representative. The Court appointed Kenneth Grossman, the Cedar Street Fund and the Cedar Street Offshore Fund as Lead Plaintiffs (collectively, "Lead Plaintiffs") in the Litigation pursuant to

the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4 & 772-1. The Court has also certified the Lead Plaintiffs as Class representatives.

Lead Counsel/Class Counsel. The Court has appointed the law firm of Krislov & Associates, Ltd., 20 N. Wacker Drive, Chicago, IL 60606, (312) 606-0500 to serve as Lead Counsel. The Court has also certified Krislov & Associates, Ltd. as Class Counsel.

Deloitte appealed the Court's class certification decision on various grounds and Lead Plaintiffs appealed the Court's denial of class certification of Plaintiffs' claims against Clifford Chance. Both Deloitte's and Lead Plaintiffs' appeal was denied.

IV. THE SETTLEMENT

A. Reasons The Parties Settled

On March 27, 2015, Lead Plaintiffs, by their counsel, signed Stipulations of Settlement (the "Stipulation" or "Settlement") with Deloitte, Roberts and Boyle. The Stipulations provide for settlement of this Litigation as against Deloitte, Roberts and Boyle, and the release of all Released Claims by all Releasers against all Released Parties (as those phrases are defined in the Stipulations), and do not constitute settlements of any claims by Lead Plaintiffs or the Class against any other named defendants or non-released parties who may be named in the Litigation in the future.

The Court did not decide this matter in favor of Lead Plaintiffs, Deloitte, Roberts or Boyle. Instead, each side, with the assistance of Judge Legrome Davis agreed to these settlements.

Lead Plaintiffs allege that Roberts and Boyle issued false financial statements of DVI for the fiscal years ended June 30, 1999, 2000, 2001 and 2002, and that Deloitte issued false and misleading audit reports related to its audits of those DVI financial statements.

Deloitte, Roberts and Boyle deny that Plaintiffs' claims have any merit. Deloitte stands behind the work of its professionals and Deloitte, Roberts and Boyle expressly deny any wrongdoing. The parties recognize, however, the substantial expense and length of time necessary to prosecute and defend this Litigation through trial and any appeal. To eliminate the burden, expense and uncertainty of further litigation, the parties wish to settle the litigation on the terms and conditions stated in the respective Stipulations.

Based on the investigations of Lead Counsel, Lead Plaintiffs have concluded that the terms and conditions of the Settlements are fair, reasonable and adequate to the Class's interests, and have agreed to settle all claims as against Deloitte, Roberts and Boyle pursuant to the terms and provisions of the Stipulations. Lead Plaintiffs made this decision after considering (a) the benefits that the Class will receive from the Settlements, (b) the attendant risks of litigation, and (c) the desirability of permitting the Settlements to be consummated as provided by the terms of the Stipulations. From the perspective of Lead Plaintiffs, the principal reason for the Settlements is the monetary benefits to be provided to the Class now. These benefits must be compared to the risk that the Litigation might be dismissed following a trial on the merits, or on appeal. Moreover, any recovery would only be achieved after a contested trial and appeal – possibly years into the future. If Lead Plaintiffs won at trial, they anticipated that Deloitte, Roberts and/or Boyle would have appealed the verdict which would have created further uncertainty and delay. From the perspectives of Deloitte, Roberts and Boyle, the principal reason for the Settlements is to eliminate the burden and expense of further litigation and possible appeals, without in any way acknowledging any fault or liability.

B. Releases Exchanged By The Parties

Pursuant to the Stipulation with Deloitte, if the Settlement is approved by the Court, all Releasers (which includes Lead Plaintiffs and all other Class Members, whether or not any such Person submits a Proof of Claim and Release or shares in the Settlement Fund, on behalf of themselves and each of their present or past subsidiaries and affiliates, and their respective heirs, executors, estates, administrators, predecessors, successors, assigns, parents, subsidiaries, associates, affiliates, employers, employees, agents, consultants, insurers, directors, managing directors, officers, partners, principals, members, attorneys, accountants, financial and other advisors, investment bankers, underwriters, lenders, and any other representatives of any of these Persons and entities, as well as anyone claiming through or on behalf of any of the foregoing) will be deemed to have

released the claims described below against Deloitte, and all other Released Parties defined in the Stipulation with Deloitte:

any and all claims, rights, causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every nature and description, including both known claims and Unknown Claims (defined below), whether arising under federal, state, foreign or statutory law, common law or administrative law, any other law, rule or regulation, whether fixed or contingent, accrued or not accrued, matured or unmatured, liquidated or un-liquidated, at law or in equity, whether class or individual in nature, that Lead Plaintiffs or any other Settlement Class Member: (i) asserted in the Action; or (ii) could have asserted in the Action or any other action or in any forum, that arise out of, relate to, or are in connection with the claims, allegations, transactions, facts, events, acts, disclosures, statements, representations or omissions or failures to act involved, set forth, or referred to in the complaints filed in the Action and that relate to the purchase, acquisition, sale or other disposition of DVI securities, or the provisions of any services provided by the Released Parties to DVI or in any way related to DVI.

Pursuant to the Stipulation with Roberts and Boyle, if the Settlement is approved by the Court, all Releasers (which includes Lead Plaintiffs and all other Class Members, whether or not any such Person submits a Proof of Claim and Release or shares in the Settlement Fund, on behalf of themselves and each of their present or past subsidiaries and affiliates, and their respective heirs, executors, estates, administrators, predecessors, successors, assigns, parents, subsidiaries, associates, affiliates, employers, employees, agents, consultants, insurers, directors, managing directors, officers, partners, principals, members, attorneys, accountants, financial and other advisors, investment bankers, underwriters, lenders, and any other representatives of any of these Persons and entities, as well as anyone claiming through or on behalf of any of the foregoing) will be deemed to have released the claims described below against Roberts and Boyle, and all other Released Parties defined in the Stipulation with Roberts and Boyle:

any and all claims, rights, causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every nature and description, including both known claims and Unknown Claims (defined below), whether arising under federal, state, foreign or statutory law, common law or administrative law, any other law, rule or regulation, whether fixed or contingent, accrued or not accrued, matured or unmatured, liquidated or un-liquidated, at law or in equity, whether class or individual in nature, that Lead Plaintiffs or any other Settlement Class Member: (i) asserted in the Action; or (ii) could have asserted in the Action or any other action or in any forum, that arise out of, relate to, or are in connection with the claims, allegations, transactions, facts, events, acts, disclosures, statements, representations or omissions or failures to act involved, set forth, or referred to in the complaints filed in the Action.

Furthermore, upon the Effective Date of the Settlements, Lead Plaintiffs, all Releasers (including all Class Members) shall be deemed to have, and shall have, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principals of common law, including § 1542 of the California Civil Code and any provision that is similar, comparable or equivalent to § 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

This means that, upon Court approval, all Releasers (including all Class Members) will be permanently barred from asserting any Released Claims, including any known or unknown claims related to this Litigation against Deloitte, Roberts and Boyle, and all other Released Parties.

C. The Settlement Benefits

To date, Settlements already approved and distributed to the Class total \$21.635 million, reflecting payments of:

- \$7,000,000 by the Pritzker Defendants
- \$4,500,000 by Merrill Lynch
- \$4,000,000 by Director Gerald Cohn
- \$3,250,000 by Audit Committee members William Goldberg, Nathan Shapiro and John McHugh
- \$1,175,000 by OnCure
- \$960,000 by Dolphin
- \$750,000 by PresGar

Under the terms of the Stipulations that are subject of this Notice, Deloitte has paid \$2,100,000, Roberts has paid \$75,000, and Boyle has paid \$25,000, which has been deposited into a settlement account on behalf of the Class (the "Settlement Fund"). After the Effective Date, the Settlement Fund will be distributed to eligible Class Members who send in valid Proof of Claim forms with the requested documentation, after payment of Court-approved legal fees and expenses, and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing the notice (the "Net Settlement Fund").

D. Plan of Allocation

Your share of the Net Settlement Fund will depend upon: (a) the number of valid Proof of Claim forms that Class Members have submitted (the fewer the number of Class Members who choose to participate in the Settlement, the larger the recovery for each participant); (b) the number of shares of DVI common stock and/or DVI 9 7/8% Senior Notes you purchased during the Class Period; and (c) when you bought and sold them.

In order to recover damages, you must have suffered an actual monetary loss on the shares of DVI common stock and/or the units of DVI 9 7/8% Senior Notes that you purchased during the Class Period. For shares or units that you purchased and sold during the Class Period, the purchase price must have been greater than the sales price.

Recognized Loss Formula. The Net Settlement Fund shall be distributed to Authorized Claimants, which are those Class Members who file timely and valid claims. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon a formula which takes into account which type of security was purchased (DVI common stock or DVI 9 7/8% Senior Notes) and the amount of each security purchased, among other things (the "Recognized Loss Formula"). The Recognized Loss Formula, which provides each Authorized Claimant with his, her, or its "Recognized Loss," as defined below, is not intended to be an estimate of the amount which a Class Member would recover after trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss Formula is the basis upon which the Net Settlement Fund will be allocated to the Authorized Claimants.

The Recognized Loss Formula per DVI common share will be calculated as follows:

- (a) if Authorized Claimant purchased and sold DVI common stock at a loss during the period August 10, 1999 through the close of trading on August 13, 2003, an Authorized Claimant's "Recognized Loss" shall be the difference between the amount paid by the Authorized Claimant for his, her or its DVI common stock, excluding commissions, less the amount received excluding commissions from the sale of such stock;
- (b) if Authorized Claimant purchased DVI common stock during the period August 10, 1999 through the close of trading on August 13, 2003, and held those shares through the close of trading on August 13, 2003, an Authorized Claimant's "Recognized Loss" shall be the

difference between the amount paid by the Authorized Claimant for his, her or its DVI common stock, excluding commissions, and \$0.12 per share, the 90-day average closing price of DVI's common stock after the Class Period.

The Recognized Loss Formula per DVI 9 7/8% Senior Notes will be calculated as follows:

- (a) if Authorized Claimant purchased and sold DVI 9 7/8% Senior Notes at a loss during the period August 10, 1999 through the close of trading on August 13, 2003, an Authorized Claimant's "Recognized Loss" shall be the difference between the amount paid by the Authorized Claimant for his, her or its DVI 9 7/8% Senior Notes, excluding commissions, less the amount received excluding commissions from the sale of such notes;
- (b) if Authorized Claimant purchased DVI 9 7/8% Senior Notes during the period August 10, 1999 through the close of trading on August 13, 2003, and held those notes through the close of trading on August 13, 2003, an Authorized Claimant's "Recognized Loss" shall be the difference between the amount paid by the Authorized Claimant for his, her or its DVI 9 7/8% Senior Notes, excluding commissions, and \$20.82 per note, the 90-day average closing price of DVI's 9 7/8% Senior Notes after the Class Period.

Class Members who did not suffer a Recognized Loss, as calculated above, will not be entitled to participate in the Net Settlement Fund. In the event a Class Member has more than one purchase or sale of DVI common stock or DVI 9 7/8% Senior Notes, all purchases and sales of DVI securities shall be matched on a First In First Out ("FIFO") basis, including securities held as of the beginning of the Class Period. Any transactions resulting in a gain shall be excluded. The covering purchase of a short sale is not an eligible purchase.

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

V. CONSEQUENCES OF CLASS MEMBERSHIP AND CLASS MEMBERS' RIGHTS

For those Members of the Class who did not submit a valid Proof of Claim form in the November 17, 2006 Settlement, the November 5, 2007 Settlement, the April 30, 2008 Settlement, the August 28, 2009 Settlement, or the May 20, 2011 Settlement, as described herein, and who wish to remain in the Class and participate in these Settlements, you must file your Proof of Claim attached hereto by June 12, 2015.

For those Members of the Class who submitted a valid Proof of Claim form in the November 17, 2006 Settlement, the November 5, 2007 Settlement, the April 30, 2008 Settlement, the August 28, 2009 Settlement, or the May 20, 2011 Settlement, and who wish to remain in the Class, your Proof of Claim form in the November 17, 2006 Settlement, the November 5, 2007 Settlement, the April 30, 2008 Settlement, the August 28, 2009 Settlement, or the May 20, 2011 Settlement, will serve as your Proof of Claim form for these Settlements and you are eligible to remain in the Class and participate in these Settlements without needing to submit another Proof of Claim form.

If you remain in the Class, then: (a) your interests in the Litigation will be represented by Lead Counsel for the Class, as identified in Section III above; (b) you will not have to pay any of Lead Counsel's attorneys' fees or expenses, except to the extent the Court may direct that such fees and expenses be paid out of these Settlements; (c) you may be entitled to share in the benefits of these Settlements, and you will be bound by these Settlements; (d) you will have the right to appear and be heard regarding Court approval of these Settlements, and any applications for payment of attorneys' fees and expenses; (e) you will have the right to receive notice of and object to these Settlements; and (f) you and all other Releasers will lose the right to sue any Released Party for any Released Claim (as those phrases are defined in the Stipulations).

If you elect to remain in the Class, you have the right to object to the Settlements in the manner set forth below. If your objection is rejected, you will be bound by the Settlements and the releases described herein, just as if you had not objected.

If you do not wish to have your interests represented by Lead Counsel for the purpose of appearing, objecting to, and/or otherwise being heard regarding the Settlements or applications for payment of attorneys'

fees and expenses, you may enter a separate appearance through counsel of your choice, or personally, at your own expense.

Any balance that still remains in the Net Settlement Fund, after payment of valid claims, Notice and Administration Expenses, Taxes, attorneys' fees and expenses, and Lead Plaintiffs cost recovery/service award, if any, shall be contributed to non-sectarian, not-for-profit charitable organizations serving the public interest, designated by Lead Plaintiffs and approved by the Court.

VI. HOW TO EXCLUDE YOURSELF FROM THE CERTIFIED CLASS AND THE SETTLEMENTS

Under the law, you have the right to exclude yourself from the Class certified by the Court. You may exclude yourself from the Class if you wish to pursue a separate lawsuit against the defendants, or for any reason at all. If you exclude yourself from the Class, you will not be entitled to participate in any recovery by such Class in the Litigation, including these Settlements, and you will not be bound by the Settlements.

If you do not wish to remain a Member of the Class, then you must timely request in writing to be excluded from the Class. Your request for exclusion must legibly set forth your name and address, and must include a statement that you wish to be excluded from the Class in the DVI, Inc. Securities Litigation. Your request for exclusion must be *received* by the Claims Administrator at the address below no later than May 26, 2015:

DVI, Inc. Securities Litigation
C/O Strategic Claims Services
Exclusions
Claims Administrator
600 N. Jackson Street, Suite 3
Media, PA 19063
www.strategicclaims.net
(610) 565-9202

If you request exclusion from the Class on behalf of any person, entity, or individual other than yourself (such as, for example, a trust, a minor, or a pension fund), you also must state the basis of your legal authority to make a request for exclusion on behalf of that person, entity, or other individual.

In order to ensure proper processing of your request for exclusion, please include with the request the Social Security Number or Taxpayer Identification Number of the person, entity, or individual requesting exclusion from the Class, as well as a list stating the DVI, Inc. securities purchased and/or sold during the Class Period, and the date or dates of each such purchase and sale.

VII. SUBMISSION AND PROCESSING OF PROOFS OF CLAIM

For those Members of the Class who did not submit a valid and timely Proof of Claim form in the November 17, 2006 Settlement, the November 5, 2007 Settlement, the April 30, 2008 Settlement, the August 28, 2009 Settlement, or in the May 20, 2011 Settlement, as described herein, in order to be eligible to receive any distribution from this Settlement, you must complete and sign the accompanying Proof of Claim and Release form and send it by first class mail postmarked on or before June 12, 2015, addressed as follows:

DVI, Inc. Securities Litigation
C/O Strategic Claims Services
Claims Administrator
600 N. Jackson Street, Suite 3
Media, PA 19014
www.strategicclaims.net
(610) 565-9202

If you do not timely submit a proper Proof of Claim form, you will not be entitled to any share of the Net Settlement Fund.

For those Members of the Class who submitted a valid and timely Proof of Claim form in the November 17, 2006 Settlement, the November 5, 2007 Settlement, the April 30, 2008 Settlement, the August 28, 2009

Settlement, or in the May 20, 2011 Settlement, that Proof of Claim form will serve as your Proof of Claim form in this Settlement and you are automatically eligible for recovery in this Settlement without needing to submit another Proof of Claim form. You can call the Claims Administrator at (610) 565-9202 to find out if you previously submitted a claim in the previous settlements and whether it was valid or deficient.

Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Eastern District of Pennsylvania with respect to his, her or its Proof of Claim. The Court has reserved jurisdiction to allow, disallow, or adjust any claim on equitable grounds.

Nominees who purchased or acquired DVI common stock or DVI 9 7/8% Senior Notes for the benefit of another person or entity during the Class Period are requested to send the Notice and the Proof of Claim to all such beneficial owners of those securities within ten (10) days after receipt thereof, or send a list of the names and addresses of such beneficial owners to the Claims Administrator within ten (10) days of receipt thereof in which event the Claims Administrator shall promptly mail the Notice and Proof of Claim to such beneficial owners.

VIII. REQUEST FOR ATTORNEYS' FEES AND COSTS, AND LEAD PLAINTIFFS' COST RECOVERY AND SERVICE AWARD

Lead Counsel represents that they have expended considerable time and effort in the prosecution of this Litigation on a contingent fee basis and have advanced substantial expenses for the Litigation, in the expectation that if they were successful in obtaining a recovery for the Class they would be paid from such recovery.

Plaintiffs' Lead Counsel intends to apply to the Court for an award of attorneys' fees in the amount of \$825,000, which represents 37.5% of the Settlement Amount from these settling defendants, and for reimbursement of expenses incurred in connection with the prosecution of this Litigation (including costs associated with numerous depositions and retention of experts), of not more than \$350,000, both of which shall be paid to Plaintiffs' Lead Counsel from the Settlement Fund with interest from the date such Settlement Fund was funded to the date of payment at the same interest rate that the Settlement Fund earns. Lead Counsel also represents that the amount Lead Counsel requests in attorneys' fees is substantially less than what Lead Counsel has incurred (based on the number of hours expended and their billing rates) to-date, and the percentage requested in this settlement would bring Lead Counsel's total fees to slightly less than 33 1/3% of the total recoveries achieved in this case.

Lead Counsel, without further notice to the Class, may subsequently apply to the Court for expenses incurred in connection with administering and distributing the proceeds of the Settlements to the Class Members.

If the Settlements are approved by the Court, Plaintiffs' Lead Counsel will also apply to the Court for a cost recovery and service award to Lead Plaintiffs of \$100,000, which Plaintiffs' Lead Counsel claims is to compensate Lead Plaintiffs for unreimbursed costs (including lost income and opportunity costs) and for the service they provided to the Class in this over eleven year litigation which has achieved recoveries of \$23.835 million.

IX. NOTICE OF SETTLEMENT HEARING

A hearing on the proposed Settlements (the "Settlement Hearing") will be held on June 23, 2015 at 10:00 a.m. before the Honorable Legrome D. Davis in the U.S. District Court for the Eastern District of Pennsylvania, 601 Market Street, Courtroom 6A, Philadelphia, Pennsylvania, 19106. The purpose of the Settlement Hearing will be to consider and/or determine: (a) whether the Stipulations are fair, reasonable and adequate and in the best interests of the Class and should be finally approved; (b) whether the Order of Final Judgment and Dismissal, as provided in the Stipulations, should be approved and entered; (c) whether the Plan of Allocation proposed by Lead Counsel or some other allocation methodology is fair, reasonable, adequate and in the best interests of the Class and should be approved; (d) applications for any award of attorneys' fees, costs and expenses; (e) application for Lead Plaintiffs' cost recovery and service award; and (f) such of these and such other matters as the Court may deem appropriate.

Any member of the Class who has not requested exclusion may appear at the Settlement Hearing to show cause why the proposed Settlements should not be approved, why the Litigation should not be dismissed with prejudice as against Deloitte, Roberts and Boyle, why Lead Counsel should not be awarded attorneys' fees and reimbursement of expenses; or why Lead Plaintiffs should not be awarded a cost recovery and/or service award; provided, however, that no such person shall be heard, unless his, her or its objection or opposition is made in writing and filed, together with copies of any and all supporting papers and briefs, with the Court: Clerk of the Court, United States District Court, Eastern District of Pennsylvania, 601 Market Street, Philadelphia, PA 19106 no later than June 4, 2015, with copies sent to:

Attorneys for Lead Plaintiffs: KRISLOV & ASSOCIATES, Ltd. Clinton A. Krislov Michael R. Karnuth Civic Opera Building 20 N. Wacker Dr., Suite 1300 Chicago, IL 60606	Attorneys for Deloitte: AKIN GUMP STRAUSS HAUER & FELD LLP David L. Comerford Jeffery A. Dailey Paul T. McGurkin, Jr. Two Commerce Square 2001 Market Street, Suite 4100 Philadelphia, PA 19103 Attorney for Roberts: MORRIS JAMES LLP Peter B. Ladig 500 Delaware Ave., Suite 1500 Wilmington, DE 19801 Attorney for Boyle: ALLMAN, KELLY & WILLNER, LLC Robert E. Kelly 41 Paoli Plaza, Suite G Paoli, PA 19301
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Your objection must legibly set forth your name and address, and must include a reason for your objection in the DVI, Inc. Securities Litigation. A list stating the DVI, Inc. securities purchased and/or sold during the Class Period, and the date or dates of each such purchase and sale must be included.

Once an objection to the proposed Settlements is made, it cannot be withdrawn without the Court's approval. Unless otherwise ordered by the Court, any Member of the Class who does not make his, her, or its objection or opposition in the manner provided above shall be deemed to have waived all objections and opposition to the fairness, reasonableness and adequacy of the proposed Settlements.

X. MULTIPLE MAILINGS AND CHANGE OF ADDRESS

If you receive multiple copies of this Notice, it may be because you had multiple brokerage accounts, holdings or transactions in DVI, Inc. securities.

If this Notice was sent to a wrong address, or if your address changes in the future, please send prompt written notification of your correct address to the Claims Administrator at the address stated at the end of this Notice.

For More Information

This Notice contains only a summary of the Litigation and the terms of the proposed Settlements. Anyone interested in more detail regarding the Litigation is invited to: (1) visit the Office of the Clerk of the United States District Court for the Eastern District of Pennsylvania at 601 Market Street, Philadelphia, PA,

during regular business hours, to inspect the Stipulations, the pleadings, and the other papers maintained there in Case No. 2:03-CV-05336-LDD; and/or (2) contact the Claims Administrator at the following address:

DVI, Inc. Securities Litigation
c/o Strategic Claims Services
Claims Administrator
600 N. Jackson St., Suite 3
Media, PA 19063
www.strategicclaims.net
(610) 565-9202

ALL INQUIRIES CONCERNING THIS NOTICE OR THE PROOF OF CLAIM FORM BY CLASS MEMBERS SHOULD BE MADE TO THE CLAIMS ADMINISTRATOR IN WRITING AT THE ADDRESS INDICATED IMMEDIATELY ABOVE.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

Dated: April 15, 2015

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT FOR
THE EASTERN DISTRICT OF PENNSYLVANIA