

Statement to Eligible Claimant
Prime Group Fair Fund
SEC AP File No. 3-21602

Tax Consequences of Your Distribution Payment

The Prime Group Fair Fund is a “Qualified Settlement Fund” (“QSF”) as defined in Section 468B(g) of the Internal Revenue Code, 26 U.S.C. Section 468B(g), as amended, and the Treasury regulations promulgated thereunder, 26 C.F.R. 1.468B-1 *et seq.* Your distribution from this Fair Fund has tax consequences. Generally, the losses component of your distribution is not income to you to the extent of your basis in your investment. However, you must reduce your basis by the amount of your distribution. If your distribution exceeds your tax basis in your investment, then the excess is includable in your income as capital gain. Any such capital gain is long-term capital gain unless you disposed of your investment before holding it for longer than one year. If you do not have reasonable access to records indicating the tax basis of your investment, then you may assume that your tax basis is zero and that the entire distribution is includable in your income as capital gain. ***The QSF is not required to – and will not – issue a Form 1099 to you with respect to the losses component of your distribution.***

Prejudgment Interest Component. The pre-judgment interest component – which comprises 12.45% of your distribution – constitutes taxable interest income to you; however, you will only receive a Form 1099-INT if your distribution contains \$600 or more of such interest. Under certain circumstances, the interest component may have been subject to 24% backup withholding (as well as state withholding, as applicable). To the extent that the interest component is subject to such withholding, it will be reflected on the Form 1099-INT that will be issued to you (as well as any related state forms, as applicable). If you are, or are presumed to be, a nonresident alien of the U.S. (“NRA”), or a payee subject to withholding under the Foreign Account Tax Compliance Act (“FATCA”), you may receive Form 1042-S with respect to the interest component of your distribution. Your interest component may also have been subject to 30% NRA withholding or 30% FATCA withholding under certain circumstances, which has been remitted to the IRS on your behalf (if applicable). To the extent your interest component is subject to such withholding, it will be reflected on the Form 1042-S that will be issued to you in the first quarter of the year subsequent to the year you receive your distribution payment.

IRA, QRP, or Other Tax Deferred Vehicle. If you held your investment in an individual retirement account (“IRA”), qualified retirement plan (“QRP”), or other tax deferred vehicle, your check will be made payable to the trustee or custodian of your IRA or QRP. You should forward the check to the trustee or custodian of your IRA or QRP for deposit into your IRA or QRP account. ***Caution: If the check is cashed or deposited in any account other than an account eligible to receive the check, it may be subject to income tax and a 10% penalty.***

Please note that the parties to this matter, the Fund Administrator and the Tax Administrator cannot provide tax advice to Eligible Claimants. The information contained herein is being provided for informational purposes only to assist you in determining the United States (“U.S.”) federal income tax consequences of the distribution payment if you are a citizen or resident of the U.S. The tax consequences of the distribution may vary depending on your individual circumstances. Except as provided above, the information provided herein may not be applicable if you are a nonresident alien of the U.S. or a FATCA-subject payee and it does not address the alternative minimum tax provisions of federal tax law, state, local and non-U.S. tax rules, or the effect of possible changes in laws. ***THE INFORMATION CONTAINED HEREIN IS NOT AND SHOULD NOT BE RELIED UPON AS TAX ADVICE. CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF THE DISTRIBUTION TO YOU.***