

**IMPORTANT LEGAL MATERIALS**



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**NOTICE OF CLASS ACTION JUDGMENT**

You are receiving this Notice because you had an account in an ABB PRISM [401(k)] Plan.

Your rights might be affected.

**YOU ARE NOT REQUIRED TO DO ANYTHING**

**PLEASE READ THIS NOTICE CAREFULLY**

- On December 29, 2006, several ABB employees and retirees filed a lawsuit on behalf of former and current participants in the PRISM Plans. The lawsuit was filed in the Western District of Missouri and the Defendants include ABB and Fidelity and is titled *Tussey, et al v. ABB, Inc., et al*, Case No. 06-04305. Plaintiffs alleged, among other things, that the recordkeeping fees charged to participants in the Plans were excessive and that Defendants committed prohibited transactions by mishandling interest earned on money as it transferred into and out of participant accounts and by selecting investment options in order to benefit Fidelity and ABB and not because they were in the best interests of the participants in the Plans.
- In January, 2010, the case was tried before U.S. District Court Judge Nanette Laughrey over a four week period. On March 31, 2012, the Court entered judgment against Defendants. As part of the judgment, ABB was ordered to pay \$35.2 million to compensate the Plans for losses resulting from their violations of federal law by selecting investment options for the Plans based on benefits to ABB and Fidelity and not because they were in the best interests of participants and by permitting Fidelity to charge excessive fees to the 401(k) Plans. Separately, the Fidelity Defendants were found to have misallocated interest on cash flows into and out of the Plans' investment options and were ordered to pay an additional \$1.7 million, for a total monetary judgment against Defendants of \$36.9 million. Defendants were also ordered to take significant steps to improve the Plans for employees and retirees, including requiring ABB to negotiate for a reasonable, market price for the services provided by its recordkeeper and that ABB offer less expensive share classes of investments to plan participants. Plaintiffs value this nonmonetary relief at \$5.9 million over four years and seek for the Class an additional \$0.25 million in prejudgment interest. Under this valuation, the total benefit to the Class would be \$43.1 million. Fidelity was also ordered to change its procedures for cash flows into and out of the Plans' investment options. A copy of the Court's Order and a more complete description of the Court-ordered injunctive relief is available at [www.abbERISAaction.com](http://www.abbERISAaction.com).
- Defendants are appealing that decision. The outcome of Defendants' appeal could affect the existence, amount or timing of any judgment. If upheld, distribution of the judgment, if any, will not begin until Defendants' appeal is resolved and any subsequent proceedings are concluded. Information about the case and Defendants' appeal is available at [www.abbERISAaction.com](http://www.abbERISAaction.com).

- The Court has appointed the law firm which has handled the case from the outset and obtained the judgment and improvements to the Plans, Schlichter, Bogard & Denton of St. Louis, Missouri, as Class Counsel in the Class Actions. They can be reached at 1-800-403-0919. If you want to be represented by your own lawyer, you may hire one at your own expense.
- On May 11, 2012, Plaintiffs filed a Motion for Attorneys' Fees and Costs seeking reimbursement for Class Counsel's fees and costs of the litigation. Class Counsel have received no payment for any of their time in this case and have advanced all costs and expenses of this case over the last 5 and one half years. Class Counsel are seeking reimbursement of \$14.3 million in fees (one-third of Plaintiffs' valuation of the value of the judgment) and \$2.2 million in expenses. Plaintiffs contend that federal law requires Defendants to pay \$14.3 million of this amount. Defendants oppose this request and argue that the amount they should pay is less. The Court will decide how much of the \$14.3 million Defendants will pay. Class Counsel contend that any amounts not paid by Defendants should be paid from the money judgment of \$36.9 million. The Court will also determine whether, and in what amount, Class Counsel will be compensated from the money judgment. Plaintiffs also seek compensation from the judgment for three named plaintiffs in the amount of \$25,000 each. The Court will decide whether, and in what amount, to award such compensation.
- As a participant in one of the PRISM Plans, you have the right to file a letter of support or objection to the Motion for Attorneys' Fees and Costs. You do not need to do so and do not need to do anything at this time. If you would like the Court to consider your comments, your letter must be mailed to: U.S. District Court Judge Nanette K. Laughrey, 80 Lafayette St., Room 4112, Jefferson City, MO 65101. Your comment must be received by August 8, 2012 and should reference the case number, 06-04305. If you have any questions, please visit [www.abbERISAaction.com](http://www.abbERISAaction.com).
- Further information regarding the litigation, the Motion for Attorneys' Fees and Defendants' Appeal, can be obtained at [www.abbERISAaction.com](http://www.abbERISAaction.com). Any future supplemental motions for Attorneys' Fees will also be posted on that website.
- This notice is to inform you of the Court's judgment and Plaintiffs' Motion for Attorney Fees and Costs. You do not have to do anything in response to this notice. The judgment, if any, will not be distributed to any participants in the Plans until a later date and the resolution of any appeals.