

SUMMARY OF PROPOSED SETTLEMENT

- **The United States has agreed to pay \$25.5 million into a Settlement Fund.**
- **The settlement does not provide for direct payments to class members as compensation for property lost on the Gold Train. Instead, the money will fund social welfare programs benefiting eligible class members according to the plan of distribution.** After years of litigation, the parties concluded that attempting to provide compensation payments directly to Class members would be impractical because of the difficulties of determining which individuals had property on the Gold Train (or were heirs of such individuals), and because the administrative costs of determining which Class members would be eligible for such compensation payments could very well equal or exceed the total size of the Settlement fund. The difficulties of proof are compounded by the lack of records documenting whose property was on the train and where it eventually wound up.
- **A minimum of \$21 million will fund social welfare programs benefiting Class members,** born before May 8, 1945 who lived in the 1944 borders of Hungary some time between 1939 and 1945, who are in need. Only such Class members will be eligible for social welfare benefits. The funds will be allocated according to the proportion of Hungarian Nazi Victims living in each country today, and be disbursed over a period that could extend up to five years. Over 90% of the eligible recipients live in Israel, Hungary, the United States, and Canada.
- The programs will be carried out by existing and established social welfare agencies with demonstrated capability and experience in operating programs and providing assistance to Nazi victims. All funds will be **supplemental to** programs offered to Nazi victims in general. The programs will be determined and implemented in consultation with Class members. The Plan of distribution will be available for review and comment by June 10, 2005 at www.HungarianGoldTrain.org, and will be submitted to the Court for its review and approval. The Claims Conference will administer the fund. Both the agencies and program administration will be subject to court jurisdiction and audit.
- At the end of the case, the United States Government will issue a **statement of acknowledgment** about the events regarding the Hungarian Gold Train. The United States Government will determine the contents of the statement in its sole discretion.
- \$500,000 of the Settlement will fund an **archival project to collect documents and artifacts** relating to the history of the Hungarian Gold Train and looting of the Hungarian Jewish community during World War II. The

archives will be available for scholarly research and educational purposes, Class members' use, and for future generations.

- Counsel will petition the Court for **reduced attorneys' fees** and costs and expenses to be paid from the Settlement fund, not to exceed \$3.85 million (slightly more than 15%, less than half the normal rate for class action settlements). This amount includes approximately \$700-800,000 in out-of-pocket expenses.