

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND**

IN RE MUTUAL FUNDS INVESTMENT LITIGATION	MDL No. 1586
IN RE EXCELSIOR, FEDERATED, SCUDDER and AMCAP	No. 04-md-15861 (CCB)
[Federated Sub-track]	

**PUBLICATION NOTICE OF PENDENCY AND PROPOSED
CROSS-TRACK SETTLEMENTS OF CLASS AND DERIVATIVE ACTIONS, MOTION
FOR ATTORNEYS' FEES AND EXPENSES, AND SETTLEMENT HEARING**

TO:

(1) All shareholders of the Federated Clover Value Fund (a successor to the Federated American Leaders Fund); Federated Capital Appreciation Fund; Federated Equity-Income Fund; Federated International Leaders Fund (a successor to the Federated Global Equity Fund and the Federated International Equity Fund); Federated InterContinental Fund (a successor to the Federated International Growth Fund); Federated International Small-Mid Company Fund (f/k/a Federated International Small Company Fund); Federated Kaufmann Fund; and Federated MaxCap Index Fund (the "Federated/BAS Settlement Funds") from May 1, 2000 through September 26, 2003 (the "Federated/BAS Class Period") (the "Federated/BAS Class"); and

(2) All shareholders in the following Federated fluctuating value mutual funds: Federated Clover Value Fund (a successor to the Federated American Leaders Fund); Federated Capital Appreciation Fund; Federated Equity-Income Fund; Federated Kaufmann Fund; and Federated MaxCap Index Fund (the "Federated/Canary Settlement Funds") from December 1, 2002 through July 31, 2003 (the "Federated/Canary Class Period") (the "Federated/Canary Class") (the Federated/BAS Settlement Funds and the Federated/Canary Settlement Funds are collectively referred to as "the Cross-Track Settlement Funds").

YOU ARE HEREBY NOTIFIED that proposed settlements in the mutual fund sub-track consolidated under the caption *In re Mutual Funds Investment Litigation [Federated Sub-Track]*, Civil Action No. 04-md-15861 (D. Md.) have been reached. As part of these settlements, plaintiffs in the securities and derivative class action lawsuits have reached settlements with defendants Canary Capital Partners, LLC, Canary Capital Partners, Ltd., Canary Investment Management, LLC, and Edward Stern (the "Canary Defendants") and Banc of America

Securities LLC (“BAS”) (collectively, the “Cross-Track Defendants”) (the “Cross-Track Settlements”). The proposed Cross-Track Settlements total \$1,557,500 (the “Cross-Track Settlement Amounts”) which will be distributed to the Cross-Track Settlement Funds (less any amounts awarded by the Court for attorneys’ fees and expenses) as set forth in the plans of allocation (the “Federated/BAS Plan of Allocation” and the “Federated/Canary Plan of Allocation”) available at www.noticeclass.com/federatedsettlement.

The Cross-Track Settlements resolve class action litigation and derivative litigation concerning allegations that the Cross-Track Defendants violated securities laws and breached fiduciary duties by allegedly engaging in or facilitating “market-timing” and “late-trading” in the Cross-Track Settlement Funds.

Plaintiffs’ Counsel will apply to the Court for \$223,500 in fees (28.75% of \$777,500, the non-governmental portions of the Cross-Track Settlement Amounts) and reimbursement of litigation expenses not to exceed \$75,000, plus interest on both amounts at the same rate and for the same time period as earned by the Cross-Track Settlement Amounts. In addition, Court-appointed Plaintiffs’ Administrative Chair and Liaison Counsel will apply for an award of attorneys’ fees and expenses of an additional 1.25% of the non-governmental portion of the Cross-Track Settlement Amounts for its efforts on behalf of Plaintiffs.

A hearing will be held before the Honorable Catherine C. Blake in the United States District Court for the District of Maryland, United States Courthouse, 101 West Lombard Street, Baltimore, Maryland 21201 at **10:00 a.m., on October 21 and 22, 2010** to determine whether: (1) the proposed Cross-Track Settlements should be approved by the Court as fair, reasonable and adequate; (2) the plans for allocating the settlement proceeds should be approved; (3) Plaintiffs’ Counsels’ applications for attorneys’ fees and reimbursement of litigation expenses should be approved; (4) the claims against the Cross-Track Defendants should be dismissed with prejudice; and (5) the Court should rule on such other matters as the Court deems appropriate.

IF YOU PURCHASED, OWNED OR HELD SHARES IN ANY OF THE CROSS-TRACK SETTLEMENT FUNDS LISTED ABOVE DURING THE FEDERATED/BAS CLASS PERIOD OR THE FEDERATED/CANARY CLASS PERIOD, YOUR RIGHTS MAY BE AFFECTED.

IN ADDITION, IF YOU CURRENTLY HOLD SHARES IN ANY OF THE CROSS-TRACK SETTLEMENT FUNDS LISTED ABOVE, YOUR RIGHTS MAY BE AFFECTED.

Unless you exclude yourself, you will remain in the Federated/BAS Class and/or the Federated/Canary Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against any of the Canary Released Parties and/or the Bank of America Released Parties about the Released Claims, as defined in the “Notice of Pendency and Proposed Cross-Track Settlements of Class and Derivative Actions, Motion for Attorneys’ Fees and Expenses, and Settlement Hearing” (the “Cross-Track Long Form Notice”) available at www.noticeclass.com/federatedsettlement. It also means that all of the Court’s orders will apply

to you and legally bind you, and you will release your claims in the Actions against the Cross-Track Defendants.

You may obtain a copy of the Cross-Track Long-Form Notice by visiting www.noticeclass.com/federatedsettlement. As more fully described in the Cross-Track Long-Form Notice, the deadline for submitting objections and requests for exclusion from any of the proposed Cross-Track Settlements is **September 21, 2010**.

YOUR LEGAL RIGHTS AND OPTIONS IN THE CROSS-TRACK SETTLEMENTS

EXCLUDE YOURSELF BY SEPTEMBER 21, 2010	This is the only option that allows you to participate in another lawsuit against the Cross-Track Defendants concerning the Released Claims.
OBJECT BY SEPTEMBER 21, 2010	You may write to the Court if you do not like one or both of the Cross-Track Settlements, plans of allocation of the Cross-Track Settlement Amounts (available at www.noticeclass.com/federatedsettlement), or Plaintiffs' Counsels' request for attorneys' fees and expenses.
GO TO A HEARING ON OCTOBER 21 and 22, 2010	You may ask to speak in Court about the fairness of the Cross-Track Settlements.
DO NOTHING	If you are a member of the Federated/Canary Class and/or the Federated/BAS Class, any claims that you may have that relate to the subject matter of these lawsuits will be released.

Further information may also be obtained by directing your inquiry in writing to Plaintiffs' Counsel: U. Seth Ottensoser, Esq. or Stephanie M. Beige, Esq. at Bernstein Liebhard LLP, 10 East 40th Street, 22nd Floor, New York, New York 10016, Telephone: 212-779-1414 or Adam Prussin, Esq. at Pomerantz Haudek Grossman & Gross LLP, 100 Park Avenue, New York, NY 10016, Telephone: 212-661-1100. You can also obtain a copy of the Severed Agreements and Stipulations of Settlement entered into with the Cross-Track Defendants or other papers filed in the Actions from the Clerk of the Court's office at the United States District Court for the District of Maryland, 101 W. Lombard Street, Baltimore, MD 21201, during regular business hours.