

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re Anicom, Inc. Securities Litigation
This Document Pertains to: All Actions

Case No. 00-C-4391

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION AGAINST
ANICOM DIRECTOR AND OFFICER DEFENDANTS, AND HEARING
ON PROPOSED SETTLEMENT AND ATTORNEYS' FEE PETITION**

TO: ALL PERSONS OR ENTITIES WHO PURCHASED THE COMMON STOCK OF ANICOM, INC. ("ANICOM" OR "THE COMPANY") ON THE OPEN MARKET DURING THE PERIOD FROM APRIL 29, 1998 THROUGH JULY 18, 2000, INCLUSIVE (THE "ANICOM CLASS PERIOD," THE "ANICOM SHAREHOLDER CLASS"), EXCLUDING DEFENDANTS, THE SUBSIDIARIES, AFFILIATES, OFFICERS AND DIRECTORS OF ANICOM, THE HEIRS AND IMMEDIATE FAMILY MEMBERS OF DEFENDANTS, AND THEIR LEGAL SUCCESSORS AND ASSIGNS.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY PROCEEDINGS IN THIS ACTION. IF YOU ARE A CLASS MEMBER, YOU ULTIMATELY MAY BE ENTITLED TO RECEIVE BENEFITS PURSUANT TO THE PROPOSED SETTLEMENT DESCRIBED HEREIN.

OBJECTION DEADLINE: ANY OBJECTION TO THIS SETTLEMENT MUST BE FILED AND SERVED ON OR BEFORE MAY 7, 2003.

CLAIMS DEADLINE: CLAIMANTS MUST SUBMIT PROOFS OF CLAIM, ON THE FORM ACCOMPANYING THIS NOTICE, *POSTMARKED ON OR BEFORE JUNE 19, 2003.*

SUMMARY OF SETTLEMENT AND RELATED MATTERS

I. Purpose of this Notice

1. This Notice is to inform you that a second proposed settlement has been reached in this case. The first settlement – already approved by the federal district court in Chicago – was with PricewaterhouseCoopers ("PwC"), the former Anicom independent auditors. This second proposed settlement is with four former officers and directors of the now-bankrupt Anicom Inc. – former board chairman Alan Anixter, former CEO Scott Anixter, former CFO Don Welchko, and former COO Carl Putnam.

2. Together with the previous PwC settlement, this second proposed settlement would provide a gross recovery of between \$11 million and \$11.5 million to members of the overall Anicom Shareholder Class (those who purchased shares of Anicom common stock on the open market between April 29, 1998 and July 18, 2000, inclusive).

3. This second proposed settlement alone would provide an immediate gross recovery to the Anicom Shareholder Class of \$5,263,750, with the possibility of an increase up to \$5,763,750 depending on circumstances explained below.

4. This second proposed settlement, if approved, will end this class action litigation. However, from the Anicom bankruptcy, the Class will also receive 25% of certain recoveries from creditors that received preference payments before Anicom filed bankruptcy. Those recoveries will be paid to class members in the future from the bankruptcy (likely in 2004 or later).

5. This second proposed settlement was reached less than two weeks before trial, after more than two years of litigation, including favorable rulings on motions to dismiss, class certification, extensive depositions, examination of hundreds of boxes of documents, and favorable rulings on a variety of motions that allowed the case to approach trial.

6. This second proposed settlement is part of an overall joint recovery agreement that includes the Anicom class action shareholders, Anicom secured lenders, and the Anicom bankruptcy estate. This joint recovery agreement was approved by the United States District Court after notice to the Anicom shareholder class in late 2001 and described in a notice previously sent to you. The preference recoveries mentioned above were secured by Lead Counsel and Lead Plaintiff through the joint recovery agreement.

7. Over two-thirds of this second proposed settlement comes from private money being paid by former Anicom board chairman Alan Anixter and former Anicom CEO Scott Anixter.

8. The second proposed settlement also includes a contribution from the Anicom D&O insurance carrier, despite the fact that the insurer vigorously disputed whether coverage even applied.

9. The recovery to the shareholder class in both the PwC settlement and this second proposed settlement was obtained despite the fact that Anicom, Inc. declared bankruptcy in January 2001 and has gone out of business.

10. The terms of the settlement are set forth in a Stipulation and Agreement of Settlement with (a) Defendants Alan Anixter, Scott Anixter, Carl Putnam, Donald Welchko (as well as John Figurelli – a non-defendant) (collectively they will be referred to as “Settling Defendants”) and (b) Illinois National Insurance Company and National Union Fire Insurance Company of Pittsburgh, Pennsylvania (collectively the “Insurer”), which issued Anicom’s Directors, Officers and Corporate Liability Policies.

11. In light of these facts and others listed below, the Lead Plaintiff for the Anicom Shareholder Class – the State of Wisconsin Investment Board – and the lead counsel for the class both urge approval of this second settlement as fair and reasonable. They concluded that it was not clear that insurance or other assets would be available for collection of any significantly greater recovery for the Class after trial.

12. This Notice describes rights you may have under the proposed partial Settlement and what steps you may take in relation to this Action. This Notice is given pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the Court dated April 3, 2003. The purpose of this Notice is to inform you that this Action, and the proposed Settlement of claims against Settling Defendants, including but not limited to any claims of any kind against the Insurer regarding the Anicom D&O Policies, will affect Anicom Shareholder Class Members’ rights. This Notice is not an expression of any opinion by the Court as to the merits of any claims or defenses asserted by any party in this Action, or the fairness or adequacy of the proposed Settlement.

II. Statement of Plaintiff Recovery

13. Pursuant to the Settlement described herein, a settlement fund consisting of \$5,263,750, in cash, plus interest earned pending distribution (“Shareholder Settlement Fund”) has been proposed. Based upon certain conditions relating to the Insurer’s obligation to pay defense costs (described below), the Insurer will pay an additional amount of money to the Shareholder Settlement Fund, up to \$500,000, as set forth in paragraph 10 of the Settlement Agreement. This Settlement was reached pursuant to the Stipulation and Agreement of Settlement (“Settlement Agreement”) entered between Settling Defendants and Insurer and Harris Trust and Savings Bank, as agent for the Secured Lenders (“Secured Lenders’ Agent”), the State of Wisconsin Investment

Board, Lead Plaintiff in *In re Anicom Securities Litigation* (“Lead Plaintiff” or “SWIB”), and the Official Committee of Unsecured Creditors of Anicom, Inc. (“OCUC”) on behalf of the Bankruptcy Estate of Anicom, Inc. or its legal successor (the “Estate”), and is subject to the terms of the joint recovery sharing agreements (“Joint Recovery Agreement”) previously entered between SWIB, Secured Lenders’ Agent, and the OCUC, and approved by this Court, after notice and hearing to Anicom Shareholder Class Members.

14. Lead Plaintiff estimates that there were approximately 17.7 million to 23 million shares of Anicom common stock traded during the Anicom Class Period which may have been damaged as a result of the alleged wrongdoing described below. Plaintiffs estimate that the average recovery per damaged share of Anicom common stock under the Settlement is between \$0.23 to \$0.32 before deduction of Court-awarded attorneys’ fees and expenses, assuming that all damaged shares submit claims to the Settlement distribution. The cumulative settlement, when combined with the gross recovery of the PwC Settlement, is 19% to 29% of the estimated actual damages, of \$41 to \$58 million, which Plaintiffs allege were incurred by Shareholders during the Anicom Class Period. This Settlement alone represents 9% to 14% of such damage estimation. Depending on the number of claims submitted, when during the Anicom Class Period a Class Member purchased his or her shares of Anicom common stock, and whether those shares were held at the end of the Anicom Class Period or sold during the Class Period, and if sold, when they were sold, an individual Class Member may receive more or less than this average amount.

III. Statement of Potential Outcome of Case

15. The parties disagree on both liability and damages and do not agree on the amount of damages that would be recoverable if Plaintiffs were to have prevailed on each claim alleged. The issues on which the parties disagree include, among other things: (a) whether the Settling Defendants did anything wrong or committed any acts or omissions which could give rise to liability; (b) whether the statements made or facts allegedly omitted were material or otherwise actionable under the federal securities laws; (c) whether damages are appropriate; and, if so, (d) the proper measure of damages.

16. Plaintiffs’ Counsel consider that there was a substantial risk that Lead Plaintiff and the Anicom Shareholder Class might not have prevailed on any or all of their claims against the Settling Defendants and that there were risks that the decline in the price of Anicom common stock could be attributed, in whole or in part, to other factors, or to other persons. Thus, the Anicom Shareholder Class could have recovered nothing, or substantially less, from Settling Defendants than the amount of the Settlement.

17. Settling Defendants deny that they are liable to the Plaintiffs or the Anicom Shareholder Class and deny that Plaintiffs or the Anicom Shareholder Class have suffered any damages.

18. The Settling Defendants would be assigned no liability at trial unless the Class could prove that one or more of them acted recklessly. This would have resulted in no recovery from Settling Defendants for the members of the Anicom Shareholder Class.

19. Even if Lead Plaintiff and the Anicom Shareholder Class had proceeded to trial and prevailed on their claims against one or more of the Settling Defendants, under the relevant provisions of the PSLRA, the jury would have been required to allocate fault among the liable defendants as well as certain other persons. This might have resulted in allocations of fault against persons not defendants, or against defendants unable to pay the judgment against them. Moreover, Settling Defendants would not be jointly and severally liable for all actual damages unless found to have acted intentionally.

20. The second proposed settlement also includes a substantial contribution from the Anicom D&O Insurer.

21. Lead Plaintiff and Plaintiffs’ Counsel have determined that the settlement – when taking into account all of the risks of litigation – including allocation of responsibility rules that could reduce each of the Settling Defendants liability, uncertain availability of additional assets to pay any significantly larger recovery after trial, and potential appeals – represents a settlement that is highly favorable to the Anicom Shareholder Class.

IV. Statement of Attorneys' Fees and Expenses Sought

22. Plaintiffs' Counsel intend to apply for fees totaling approximately 23.5% to 23.8% of the Shareholder Settlement Fund, and reimbursement of expenses incurred by counsel and SWIB in connection with the prosecution of this Action in the approximate amount not to exceed \$470,000. The requested fees and expenses would amount to an average of \$0.075 to \$0.104 per damaged share, in total, for fees and expenses. This was a negotiated fee entered into by Lead Plaintiffs as a result of a competitive process. Plaintiffs' Counsel has the right to seek, by filing an application with the Court, any additional fees and expenses incurred in connection with implementing the Settlement Agreement and administering and distributing the Settlement proceeds to the members of the Anicom Shareholder Class.

23. Plaintiffs' Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis, and have advanced the expenses of the litigation, in the expectation that if they were successful in obtaining a recovery for the Anicom Shareholder Class, they would be paid from such recovery.

V. Further Information

24. Lead Plaintiff's submissions regarding the reasons for this settlement and Plaintiffs' Counsel's request for attorneys' fees and expenses may be obtained at the United States District Court or by accessing Lead Plaintiff's web site at <http://www.swib.state.wi.us>. Further information regarding the Anicom Shareholder Class Action (defined below) and this Notice also may be obtained by contacting Lead Plaintiffs' Counsel:

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VI. Reasons for the Settlement

25. The principal reason for the proposed Settlement is the substantial benefit to be provided to the Anicom Shareholder Class now. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future, or that any judgment obtained would not be collectable. Both the Lead Plaintiff and Plaintiffs' Counsel believe that the proposed Settlement is fair and in the best interests of the Class.

NOTICE OF SETTLEMENT FAIRNESS HEARING

26. NOTICE IS HEREBY GIVEN, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of Illinois, Eastern Division, (the "Court") dated April 3, 2003, that a hearing will be held before the Honorable John W. Darrah at Courtroom 1203 of the United States District Courthouse, Northern District of Illinois, 219 S. Dearborn Street, Chicago, Illinois on May 22, 2003 (the "Settlement Fairness Hearing") to determine whether a proposed settlement (the "Settlement") of the above-captioned action (the "Action") as set forth in the Settlement Agreement dated as of March 4, 2003, is fair, reasonable and adequate and to consider the proposed Plan of Allocation for the Settlement proceeds and the application of Plaintiffs' Counsel for attorneys' fees and reimbursement of expenses.

BACKGROUND OF THE LITIGATION

27. On or about July 18, 2000, the Charles Dechter Family Trust initiated a securities class action against Anicom, Inc. ("Anicom") and four of its officers and directors, in the Court, on behalf of purchasers of Anicom common stock, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder ("Securities Shareholder Class Action").

28. This case and similar cases subsequently filed were consolidated before United States District Judge John W. Darrah. Consistent with the requirements of Rule 23 and the PSLRA, SWIB, a member of the purported class, filed a motion seeking to be selected as Lead Plaintiff of the Shareholder Class, and the Court, having determined that SWIB was the class member "most capable of adequately representing the interests of class members," appointed SWIB as Lead Plaintiff and approved SWIB's selection of Susman Godfrey, L.L.P., as Lead Counsel, with assistance from Foley & Lardner and Keller Rohrback, L.L.P.

29. In its Consolidated Complaint, filed December 18, 2000, Lead Plaintiff SWIB, on behalf of the Shareholder Class, alleged that Anicom, Inc. and certain of its officers and directors ("the Individual Defendants") engaged in a deceptive practice of prebilling sales and recording fictitious sales, in order to artificially inflate Anicom's revenues, and issued materially false and misleading statements regarding Anicom's financial condition during the period April 29, 1998, through and including July 18, 2000, in a scheme to artificially inflate the value of Anicom's common stock. The Individual Defendants filed motions to dismiss these claims, which were denied on May 15, 2001. On July 5, 2001, the Court certified a plaintiff class of all persons who purchased Anicom stock on the open market during the period from April 19, 1998 through July 18, 2000.

30. On January 5, 2001, Anicom filed a voluntary petition of relief under Chapter 11 § 101 (the "Bankruptcy Code"), which is currently pending before Judge Susan Pierson Sonderby, in the United States Bankruptcy Court for the Northern District of Illinois ("Bankruptcy Court"). Harris Trust and Savings Bank ("Harris") and the OCUC sought to enjoin the class litigation from proceeding and preclude the Class from obtaining any insurance proceeds pursuant to the provisions of the Bankruptcy Code.

31. In compromise of this dispute, Harris, Bank One, N.A., LaSalle Bank National Association, Fleet Capital Corporation, Firststar Bank, N.A., and Bank of America, N.A., (collectively, the "Secured Lenders"), the OCUC, on behalf of the Bankruptcy Estate of Anicom, Inc., and SWIB, as Lead Plaintiff and representative of the Anicom Class, entered a joint recovery sharing agreement ("Joint Recovery Agreement"), to jointly prosecute claims against the former officers and directors of Anicom and other parties, including PwC, and to divide the resulting recoveries. The Joint Recovery Agreement designates Susman Godfrey, L.L.P. as Lead Counsel to prosecute such claims, to be assisted at its direction by Foley & Lardner and Keller Rohrback, L.L.P. (collectively, "Joint Recovery Counsel").

32. The Joint Recovery Agreement was approved by the Bankruptcy Court and later approved by the District Court, after notice to class members in the Securities Shareholder Class Action and approval hearing, pursuant to Rule 23 of the Federal Rules of Civil Procedure and the PSLRA.

33. On July 13, 2001, Lead Plaintiff SWIB filed its First Amended Consolidated Class Action Complaint, amending the claims previously filed in federal district court, to allege that PwC, Anicom's auditor during the class period, also participated in the fraud alleged against Anicom and the Individual Defendants. PwC filed a motion to dismiss these claims, which was denied on November 20, 2001. On March 26, 2002, over PwC's objections, the Court granted SWIB's motion for class certification, certifying a plaintiff class against PwC.

34. PwC settled with the PwC Shareholder Class (defined as persons who purchased common stock of Anicom over the open market between February 17, 1999 and July 18, 2000, inclusive). After notice to PwC Shareholder Class members, the PwC Settlement was approved by this Court in an Order and Final Judgment on November 26, 2002. This settlement resulted in a recovery of approximately \$5,750,000 to the members of the PwC Shareholder Class. The recovery to the Anicom Shareholder Class in this second proposed settlement is in addition to the amount already recovered by the PwC Shareholder Class in the PwC Settlement.

BACKGROUND TO THE SETTLEMENT

35. The Settling Defendants have denied all averments of wrongdoing or liability in the Action and all other accusations of wrongdoing or violations of law. The Settlement is not and shall not be construed or be deemed to be evidence or an admission or a concession on the part of Settling Defendants of any fault or lia-

bility or damages whatsoever, and Settling Defendants do not concede any infirmity in the defenses which they have asserted or intended to assert in the Action.

36. Plaintiffs' Counsel have conducted an investigation relating to the claims and the underlying events and transactions alleged in the Complaint and conducted pretrial discovery on the merits. Plaintiffs' Counsel have analyzed the evidence discovered through their extensive investigation and formal and informal discovery and have researched the applicable law with respect to the claims of Plaintiffs and the Anicom Shareholder Class against Settling Defendants and the potential defenses thereto.

37. The work performed by Plaintiffs' Counsel in this litigation has included taking of over 40 depositions; review of hundreds of boxes of documents; recovery and reading of hard drives maintained by Anicom, Inc.; retention of an accounting expert and a damages expert, both of whom submitted reports and were deposed; successful prosecution and defense of numerous motions, including Motions to Dismiss by all defendants; successful defense of an appeal by PwC to the Seventh Circuit Court of Appeals contesting certification of the PwC Shareholder Class; numerous formal and informal mediations; and significant trial preparation.

38. Plaintiffs, by their counsel, have conducted discussions and arm's length negotiations with counsel for Settling Defendants, with a view to settling the issues in dispute and achieving the best relief possible consistent with the interests of the Anicom Shareholder Class. These negotiations included extensive settlement discussions under the supervision of Magistrate Judge Nan R. Nolan of the United States District Court for the Northern District of Illinois.

39. Based upon their investigation and discovery as set forth above, Plaintiffs' Counsel have concluded that the terms and conditions of this Settlement are fair, reasonable and adequate to the Anicom Shareholder Class, and in their best interests, and have agreed to settle the claims raised in this litigation, pursuant to the terms and provisions of the Settlement Agreement, after considering: (a) the benefits that the members of the Anicom Shareholder Class will receive from settlement of the Securities Shareholder Class Action; (b) the attendant risks of litigation; and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of the Settlement Agreement.

40. The Settling Defendants, while continuing to deny all allegations or liability whatsoever, desired to settle and terminate all existing or potential claims by or between the parties, without in any way acknowledging any fault or liability.

41. The amount of damages, if any, that Plaintiffs could prove and recover was also a matter of dispute. No determination has been made by the Court as to liability or the amount, if any, of damages suffered by the Anicom Shareholder Class, nor on the proper measure of any such damages. The determination of damages, like the determination of liability, is a complicated and uncertain process, typically involving conflicting expert opinions. During the course of the Securities Shareholder Class Action, Settling Defendants, in addition to denying any liability, disputed that Lead Plaintiff or the Anicom Shareholder Class were damaged by any allegedly wrongful conduct on the part of Settling Defendants. An expert for Settling Defendants opined that even if all of Plaintiffs' allegations concerning fraud were assumed to be true, the damages to the Anicom Shareholder Class would be no more than \$8 million to \$10 million.

42. The Settlement herein provides an immediate and substantial benefit and avoids the risks that liability against Settling Defendants or damages during the Anicom Class Period might not have been proven at trial.

SETTLEMENT TERMS

43. The terms of the proposed settlement are as follows:

44. In return for settlement of the claims asserted in this Action, and subject to the terms and conditions of the Settlement Agreement, Alan Anixter, Scott Anixter, and the Insurer have collectively paid \$5,263,750 ("Shareholder Settlement Fund") into a segregated interest bearing escrow account at a federal depository bank, bearing interest at the federal funds rate or better, on behalf of the Anicom Shareholder Class.

45. In addition to the \$5,263,750, the Insurer will pay to the Anicom Shareholder Class an additional \$500,000 when and if three former Anicom executives (Ronald Bandyk, Renee Levault, and Daryl Spinell) either: a) plea bargain or plead guilty to a criminal offense related to Anicom; b) are convicted of a criminal offense relating to Anicom; c) deliver to the Insurer a signed release of claims against the Anicom D&O Insurance Policy; or d) obtain a dismissal or settlement of all Anicom-related criminal proceedings. The Insurer is permitted to deduct from this \$500,000 the reasonable defense costs for these three individuals incurred between March 4, 2003, and the occurrence of these conditions.

46. Pursuant to the Order and Final Judgment, upon the Effective Date of the Settlement and contingent upon Settling Defendants and Insurer transfer of Funds from the escrow account to the Anicom Shareholder Class, pursuant to the terms of the Settlement Agreement, the Anicom Shareholder Class shall be bound by a limited mutual release ("Mutual Release").

47. This Mutual Release is intended to release and discharge all claims, matters, actions, and causes of action that were or could have been asserted in the Securities Shareholder Class Action against the Settling Defendants or the Insurer, by the Anicom Shareholder Class, in connection with Anicom, Inc., including but not limited to any claims of any kind against the Insurer regarding the Anicom D&O Policies which could have been asserted in the Securities Shareholder Class Action.

48. Upon the Effective Date of the Settlement, and contingent upon Settling Defendants' and Insurer's transfer of Funds from the escrow account to the Anicom Shareholder Class pursuant to the terms and conditions of paragraphs 8 and 9 of the Settlement Agreement, the Lead Plaintiff and Anicom Shareholder Class, individually and on behalf of their officers and directors, present and former employees, partners, principals, members, agents, attorneys, and their partners, heirs, or any members of their immediate families, and any of their predecessors, successors, affiliates, subsidiaries, joint ventures, and any entity in which they have, or have had, a controlling interest (collectively, the "*Anicom Shareholder Class Parties*"), will release and forever discharge Settling Defendants and their present and former agents, attorneys, heirs and any members of their immediate families and the Insurer and its present and former agents, attorneys, parents, subsidiaries, affiliates, successors and assigns, of and from any and all claims, actions, causes of action, disputes, settlements, agreements, contracts, controversies, debts, costs, expenses, accounts, damages, judgments, losses, liabilities and demands of whatever kind or nature, in law, equity or otherwise, under state or federal law, whether known or unknown ("*Claims*"), which the Anicom Shareholder Class had, may have, or may have had against the Settling Defendants or the Insurer which have been or could have been asserted in the Securities Shareholder Class Action, or which have been, could have been or may ever be properly asserted against the Insurer regarding, relating to, against or under the Anicom D&O Policies relating to the Securities Shareholder Class Action ("*Anicom Shareholder Class Claims*").

49. The scope of this release also includes any and all Claims and causes of action, that could have been recovered in the Securities Shareholder Class Action whether under federal or state law, and includes Claims for punitive damages, expenses, costs, and attorneys' fees. The release will not impose any liabilities or obligations, including contribution and/or indemnification, on any member of the Anicom Shareholder Class arising out of the Claims released herein or in the Securities Shareholder Class Action.

50. Excluded from the scope of this Mutual Release (and from the conditional releases described in paragraph 52 below) are any Claims asserted against Settling Defendants or the Insurer, by any class member in the Anicom Shareholder Class who would otherwise be entitled to participate in this Settlement, but who timely and validly requested exclusion from the Settlement, according to the instructions provided in the Notice of Pendency of the Anicom Class Action, issued December 27, 2001; any rights or Claims of any Anicom Shareholder Class member other than for purchases of Anicom common stock purchased over the open market during April 29, 1998, through July 18, 2000, inclusive ("*Anicom Shareholder Class Period*"); and any Claims asserted by Settling Defendants or the Insurer against any class member in the Anicom Shareholder Class who would otherwise be entitled to participate in this Settlement, but who timely and validly requested exclusion from the Settlement, according to the instructions provided in the Notice of Pendency of the Anicom Class Action, issued December 27, 2001.

51. As part of the Mutual Release, upon the Effective Date of the Settlement and Settling Defendants and Insurer's transfer of funds from the escrow account to the Anicom Shareholder Class pursuant to the terms and conditions of paragraphs 8 and 9 of the Settlement Agreement, Settling Defendants and the Insurer release and forever discharge Lead Plaintiff and the Anicom Shareholder Class, individually and on behalf of their officers and directors, present and former employees, partners, principals, members, agents, attorneys, and their partners, heirs, or any members of their immediate families, and any of its predecessors, successors, affiliates, subsidiaries, joint ventures, or entities in which they have a controlling interest (collectively, the "*Anicom Shareholder Class Released Persons*"), of and from any and all Claims that any or all of the Settling Defendants or the Insurer, had, may have, or may have had, or may ever have against the Anicom Shareholder Class Released Persons in the Securities Shareholder Class Action which have been, or could have been or may have been or may be asserted in the Securities Shareholder Class Action including but not limited to any Claims of any kind regarding, relating to, against or under the Anicom D&O Policies relating to the Securities Shareholder Class Action ("*Settling Defendants Shareholder Claims*"). This Mutual Release includes, but is not limited to, all damages, both economic and non-economic, that could be recovered in the Securities Shareholder Class Action. The scope of this release also includes any and all Claims that could have been recovered in the Securities Shareholder Class Action whether under federal or state law, and includes Claims for punitive damages, expenses, costs, and attorneys' fees. Nothing contained herein shall be construed or interpreted to impose any liabilities or obligations on the Settling Defendants or the Insurer as a result of or for any Claims against the Anicom Shareholder Class Released Persons for contribution and/or indemnification arising out of the Claims released herein or in the Securities Shareholder Class Action.

52. Upon the Effective Date of the Settlement, and Settling Defendants' and Insurer's transfer of funds from the escrow account to the Anicom Shareholder Class pursuant to the terms and conditions of paragraphs 8 and 9 of the Settlement Agreement, the Lead Plaintiff and the Anicom Shareholder Class also release and discharge the other *Released Persons* who are not *Settling Defendants* (as those terms are defined in the Settlement Agreement) of and from any and all Claims that the Anicom Shareholder Class Parties had, may have, may have had, or may ever have against them which have been or could have been asserted in the Securities Shareholder Class Action ("*Anicom Shareholder Class Released Persons Claims*") (Anicom Shareholder Class Claims, Settling Defendants Shareholder Claims and Anicom Shareholder Class Released Persons Claims collectively, "*Shareholder Class Settled Claims*"); provided, however, that such releases and discharges are expressly conditioned on no Claims being asserted, and no lawsuits being filed or caused to be filed, either directly or indirectly, by such persons against the Anicom Shareholder Class Parties. If any such Claims are filed by any of the Released Persons against the Anicom Shareholder Class Parties, then the conditional limited releases described in this paragraph are null and void.

53. If the Settlement is approved by the Court, the Shareholder Class Action against Settling Defendants, as alleged in the Complaint, will be dismissed with prejudice as to Settling Defendants. Lead Plaintiff SWIB and all Plaintiffs and Anicom Shareholder Class Members shall be forever barred from prosecuting this Class Action or any other action raising any claim that is released or settled by the Settlement Agreement. The Settlement Agreement is also subject to the approval of the Bankruptcy Court.

54. The Settlement will become effective when the Final Order and Judgment entered by this Court and the Order entered by the Bankruptcy Court approving the Settlement become final, are no longer subject to appeal or certiorari proceedings and no such reconsideration, appeals or writ proceedings are pending. See paragraph 18 of the Settlement Agreement for a full description of when the Settlement will become effective.

PLAN OF ALLOCATION

55. The Plan of Allocation for this second partial settlement covers the entire Anicom Shareholder Class Period of April 29, 1998 through July 18, 2000 ("*Anicom Shareholder Class Period*").

56. This Plan of Allocation ties into the Plan of Allocation for the earlier class settlement for the PwC Class Period of February 17, 1999 through July 18, 2000 ("*PwC Shareholder Class Period*") approved earlier by this Court.

57. IF YOU PURCHASED ANICOM COMMON STOCK ON THE OPEN MARKET ONLY DURING THE PWC CLASS PERIOD – AND HAVE ALREADY FILED A PROOF OF CLAIM WITH THE CLAIMS ADMINISTRATOR IN THIS CLASS ACTION – YOU DO NOT HAVE TO SUBMIT ANOTHER PROOF OF CLAIM.

58. IF YOU PURCHASED ANY ANICOM COMMON STOCK ON THE OPEN MARKET BETWEEN APRIL 28, 1998 AND FEBRUARY 16, 1999 – WHETHER OR NOT YOU PURCHASED MORE STOCK DURING THE PWC CLASS PERIOD OF FEBRUARY 17, 1999 THROUGH JULY 18, 2000 – YOU MUST SUBMIT A PROOF OF CLAIM FOR THOSE PURCHASES, ACCORDING TO INSTRUCTIONS SET FORTH BELOW.

59. The \$5,263,750 gross recovery Cash Settlement Amount (or additional amount up to \$5,763,750) and the interest thereon shall be the Shareholder Settlement Fund. The cash in the Second Shareholder Settlement Fund, less all taxes, approved costs, fees and expenses (the “Net Shareholder Settlement Fund”) shall be distributed to members of the Class who file acceptable Proofs of Claim (“Authorized Second Fund Claimants”).

60. The two funds – the initial “Net PwC Shareholder Settlement Fund” for the PwC Class Period and this “Net Shareholder Settlement Fund” for the entire Anicom Shareholder Class Period – will be distributed on the basis of separate guidelines set forth here (and in the earlier class notice on settlement with PwC). The present intention is for the Claims Administrator to separately calculate *pro rata* damage payments for each separate fund, and then send a check to each applicant combining the total from each pool.

61. The Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of the Net PwC Shareholder Settlement Fund and the Net Shareholder Settlement Fund based upon each Authorized Claimant’s “Recognized Claim.” The *pro rata* damages for Authorized Claimants will be calculated separately for each fund. Those Claimants who are entitled to recoveries from both funds will receive both recoveries, combined, in a single check.

62. The proposed Plan of Allocation reflects the proposition that the actions alleged in the Complaint had the effect of artificially inflating the price per share of Anicom stock throughout the Anicom Shareholder Class Period, that the appropriate measure of damages for each Anicom Shareholder Class Member is the difference between the amount of inflation on the date the stock was purchased and the amount of inflation on the date the stock was sold, and that the decrease in the price of Anicom stock following the revelations made by Anicom on July 18, 2000, reflected the elimination of the artificial inflation that the Defendants’ alleged misrepresentations caused. This artificial inflation is the amount of legally recognized damages. Excluded are losses caused by other factors, such as decline in stock prices in the telecom sector generally and from actual reported declines in Anicom’s business.

63. “Recognized Claim” will be calculated, for purposes of the Settlement, according to the attached schedule showing the amount by which Plaintiffs estimate that the per share price of Anicom stock was inflated for each day of the Anicom Shareholder Class Period. The Recognized Claim shall be the difference between the inflated value of the stock on the date purchased and the date sold. If the stock was held until after July 18, 2000, the last day of the Anicom Shareholder Class Period, when Plaintiffs presume that the inflation of the stock price was eliminated, the Recognized Claim shall be the amount of inflation on the day the stock was purchased. Shares originally sold short prior to the Class Period shall have a zero Recognized Claim.

64. No Recognized Claim exists unless the amount of inflation on the day the stock was purchased exceeds the amount of per share inflation on the day the stock was sold.

65. The value of your Recognized Claim will vary depending upon the date you purchased your Anicom common stock, the amount of stock you purchased, whether you held or sold the stock and the date on which you sold the stock. The date of purchase or sale of your Anicom common stock is the “trade” date and not the “settlement” date.

66. Purchases during the Anicom Shareholder Class Period will be matched against sales during the Anicom Shareholder Class Period on a Last-In, First-Out basis.

67. Each Authorized Claimant shall be allocated a *pro rata* share of the Net PwC Shareholder Settlement Fund and Net Shareholder Settlement Fund based on his, her or its Recognized Claim, as compared to the total Recognized Claims of all Authorized Claimants.

68. Anicom Shareholder Class Members who do not submit acceptable Proofs of Claim will not share in the settlement proceeds. Anicom Shareholder Class Members who have not previously submitted a valid request for exclusion and do not submit an acceptable Proof of Claim will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action.

69. Checks will be distributed to Authorized Claimants who would receive at least \$1.00 after all Claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Shareholder Settlement Fund by reason of uncashed checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Anicom Shareholder Class Members who are entitled to participate in the distribution of the Net Shareholder Settlement Fund cash their distribution checks, any balance remaining in the Net Shareholder Settlement Fund one (1) year after the initial distribution of such funds shall be redistributed to Class Members who have cashed their checks and who would receive at least \$10.00 from such redistribution. If after six months after such redistribution any funds shall remain in the Net Shareholder Settlement Fund, then such balance shall be contributed to nonsectarian, not-for-profit, 501(c)(3) organizations(s) designated by Lead Plaintiff.

CLASS MEMBERS' RIGHTS

70. The Court previously certified this Action against Settling Defendants to proceed as a class action. If you purchased Anicom common stock on the open market during the period from April 29, 1998 through July 18, 2000, and did not elect to exclude yourself, then you are an Anicom Shareholder Class Member. Anicom Shareholder Class Members have the following options pursuant to Rule 23(c)(2) of the Federal Rules of Civil Procedure:

a. You may share in the proceeds of the Settlement, provided that you submit an acceptable Proof of Claim. Anicom Shareholder Class Members will be represented by the Lead Plaintiff and its counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file an appearance on your behalf on or before May 7, 2003, and must serve copies of such appearance on the attorneys listed in paragraph 78 below.

b. Persons who have excluded themselves from the Anicom Shareholder Class will **NOT** receive any share of the Settlement proceeds and will not be bound by the Settlement.

c. If you object to the Settlement or any of its terms, or to Plaintiff Counsel's application for fees and expenses, or to the Lead Plaintiff's application for their reasonable costs and expenses directly relating to the representation of the Anicom Shareholder Class, and if you do not exclude yourself from the Anicom Shareholder Class, you may present your objections by following the instructions in paragraph 78 below.

71. Anicom Shareholder Class Members who do not timely submit acceptable Proofs of Claim will not share in the Settlement proceeds. Anicom Shareholder Class Members who did not submit a request for exclusion and do not submit a timely and acceptable Proof of Claim will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action.

PROOF OF CLAIM SUBMISSION AND PROCESSING

72. In order to be eligible to receive any distribution of Settlement proceeds, you must complete and sign the attached Proof of Claim form and send it by first-class mail **postmarked on or before June 19, 2003**, addressed as follows:

Claims Administrator
In re Anicom, Inc. Securities Litigation
c/o Berdon LLP
P.O. Box 9014
Jericho, NY 11753-8914

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

74. If you are an Anicom Shareholder Class Member and you have not already excluded yourself from the Class, you will be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action, even if you do not submit a Proof of Claim. If you previously excluded yourself from the Anicom Shareholder Class, you will not be bound by the judgment but you will not be entitled to any share of the Settlement proceeds.

75. All Proofs of Claim must be submitted by the date specified in this Notice unless such period is extended by Order of the Court.

76. Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Northern District of Illinois with respect to his, her or its Proof of Claim.

SETTLEMENT FAIRNESS HEARING

77. At the Settlement Fairness Hearing, the Court will determine whether to finally approve this Settlement and dismiss the Action and the Claims of the Anicom Shareholder Class Members. The Court will also determine whether the Plan of Allocation for the Settlement proceeds is fair and reasonable. The Settlement Fairness Hearing may be adjourned from time to time by the Court without further written notice to the Anicom Shareholder Class. If you intend to attend the Settlement Fairness Hearing, you should confirm the date and time with Plaintiffs' Counsel. If the Settlement is approved, the Court will also consider the application of Plaintiffs' Counsel for attorneys' fees.

78. At the Settlement Fairness Hearing, any Anicom Shareholder Class Member who has not submitted a Request for Exclusion from the Class may appear in person or by counsel and be heard to the extent allowed by the Court in opposition to the fairness, reasonableness, and adequacy of the Settlement, the proposed Settlement proceeds distribution, the application for an award of attorneys' fees and reimbursement of expenses, or the application of the Lead Plaintiff for an award of their reasonable costs and expenses directly relating to the representation of the Anicom Shareholder Class, provided, however, that in no event shall any person be heard in opposition to the Settlement, proposed Settlement proceeds distribution, the application for an award of attorneys' fees and reimbursement of expenses, or the application of the Lead Plaintiff for an award of their reasonable costs and expenses, and in no event shall any paper or brief submitted by any such person be accepted or considered by the Court, unless, on or before May 7, 2003, such person: (a) files with the Clerk of the Court notice of such person's intention to appear, showing proof of such person's membership in the Class, and providing a statement that indicates the basis for such opposition, along with any documentation in support of such objection; and (b) simultaneously serves copies of such notice, proof, state-

ment and documentation, together with copies of any other papers or briefs such person files with the Court, in person or by facsimile and mail upon Lead Plaintiffs' Counsel and Liaison Counsel:

Kenneth E. McNeil, Esq.
Susman Godfrey, L.L.P.
1000 Louisiana, Suite 5100
Houston, TX 77002-5096
Telephone: (713) 650-4353
Fax: (713) 650-4363

Douglas M. Hagerman, Esq.
Foley & Lardner
321 N. Clark Street, Suite 2100
Chicago, IL 60610
Telephone: (312) 832-4500
Fax: (312) 755-1925

ALL OBJECTIONS OR SUBMISSIONS MUST BE FILED WITH THE COURT AND RECEIVED BY COUNSEL NO LATER THAN MAY 7, 2003.

FURTHER INFORMATION

79. This Notice includes a summary of the terms of the Settlement. The full and binding terms of the Settlement are set forth in the Settlement Agreement on file with the Court. For a more detailed statement of the matters involved in this Action, reference is made to the pleadings, to the Settlement Agreement, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the United States District Court for the Northern District of Illinois, Eastern Division, 219 S. Dearborn Street, Chicago, Illinois, during regular business hours. You may also obtain additional information by accessing Lead Plaintiff's web site at <http://www.swib.state.wi.us> or by contacting Lead Counsel at the address above. PLEASE DO NOT CALL OR WRITE THE COURT DIRECTLY. IF YOU HAVE ANY QUESTIONS PLEASE CONTACT THE CLAIMS ADMINISTRATOR OR CLASS COUNSEL IDENTIFIED ABOVE.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

80. If you were a nominee for any beneficial owner of Anicom common stock (securities) during the Anicom Shareholder Class Period, then, within ten (10) days after you receive this Notice, you must either: (a) provide the Claims Administrator with the names and addresses of such beneficial owners, **preferably on computer-generated mailing labels or, electronically, in MS Word or WordPerfect files (label size Avery® # 5162) or in an MS Excel data table setting forth: (i) title/registration; (ii) street address; (iii) city/state/zip;** or, in the alternative, (b) send a copy of the Notice to all beneficial owners by first-class mail and provide the Claims Administrator with written confirmation of having done so. Additional copies of the Notice may be requested in writing from the Claims Administrator. All correspondence should be addressed as follows:

Claims Administrator
In re Anicom, Inc. Securities Litigation
c/o Berdon LLP
P.O. Box 9014
Jericho, NY 11753-8914
Telephone: (800) 766-3330
Fax: (516) 931-0810

You are entitled to reimbursement of any *reasonable* expenses you actually incurred in connection with the foregoing, upon submission of a request and the appropriate supporting documentation to the Claims Administrator.

Dated April 15, 2003

BY ORDER OF
THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ILLINOIS

Anicom Shareholder Class Settlement Plan of Allocation
(Inflation per Share per Day)

Date	Average Inflation Per Share	Date	Average Inflation Per Share	Date	Average Inflation Per Share
4/28/98	\$0.00	7/6/98	\$0.39	9/10/98	\$1.00
4/29/98	\$0.40	7/7/98	\$0.39	9/11/98	\$1.03
4/30/98	\$0.39	7/8/98	\$0.39	9/14/98	\$1.02
5/1/98	\$0.39	7/9/98	\$0.39	9/15/98	\$1.02
5/4/98	\$0.39	7/10/98	\$0.39	9/16/98	\$1.01
5/5/98	\$0.39	7/13/98	\$0.39	9/17/98	\$0.98
5/6/98	\$0.39	7/14/98	\$0.38	9/18/98	\$0.97
5/7/98	\$0.39	7/15/98	\$0.38	9/21/98	\$0.98
5/8/98	\$0.39	7/16/98	\$0.39	9/22/98	\$0.89
5/11/98	\$0.38	7/17/98	\$0.38	9/23/98	\$0.86
5/12/98	\$0.39	7/20/98	\$0.37	9/24/98	\$0.82
5/13/98	\$0.38	7/21/98	\$0.38	9/25/98	\$0.86
5/14/98	\$0.38	7/22/98	\$0.38	9/28/98	\$0.86
5/15/98	\$0.38	7/23/98	\$0.38	9/29/98	\$0.86
5/18/98	\$0.38	7/24/98	\$0.38	9/30/98	\$0.85
5/19/98	\$0.38	7/27/98	\$0.38	10/1/98	\$0.83
5/20/98	\$0.38	7/28/98	\$0.38	10/2/98	\$0.83
5/21/98	\$0.38	7/29/98	\$0.37	10/5/98	\$0.84
5/22/98	\$0.38	7/30/98	\$1.12	10/6/98	\$1.12
5/26/98	\$0.37	7/31/98	\$1.11	10/7/98	\$1.10
5/27/98	\$0.37	8/3/98	\$1.10	10/8/98	\$1.09
5/28/98	\$0.38	8/4/98	\$1.11	10/9/98	\$1.15
5/29/98	\$0.37	8/5/98	\$1.13	10/12/98	\$1.18
6/1/98	\$0.37	8/6/98	\$1.14	10/13/98	\$1.16
6/2/98	\$0.37	8/7/98	\$1.14	10/14/98	\$1.16
6/3/98	\$0.37	8/10/98	\$1.15	10/15/98	\$1.18
6/4/98	\$0.37	8/11/98	\$1.14	10/16/98	\$1.13
6/5/98	\$0.37	8/12/98	\$1.14	10/19/98	\$1.16
6/8/98	\$0.37	8/13/98	\$1.14	10/20/98	\$1.16
6/9/98	\$0.37	8/14/98	\$1.14	10/21/98	\$1.16
6/10/98	\$0.37	8/17/98	\$1.12	10/22/98	\$1.20
6/11/98	\$0.37	8/18/98	\$1.12	10/23/98	\$1.23
6/12/98	\$0.37	8/19/98	\$1.11	10/26/98	\$1.25
6/15/98	\$0.37	8/20/98	\$1.09	10/27/98	\$1.24
6/16/98	\$0.37	8/21/98	\$1.09	10/28/98	\$1.20
6/17/98	\$0.37	8/24/98	\$1.08	10/29/98	\$1.25
6/18/98	\$0.37	8/25/98	\$1.08	10/30/98	\$1.27
6/19/98	\$0.37	8/26/98	\$1.07	11/2/98	\$1.28
6/22/98	\$0.38	8/27/98	\$1.03	11/3/98	\$2.92
6/23/98	\$0.38	8/28/98	\$1.02	11/4/98	\$2.95
6/24/98	\$0.38	8/31/98	\$0.91	11/5/98	\$2.98
6/25/98	\$0.38	9/1/98	\$0.95	11/6/98	\$2.96
6/26/98	\$0.39	9/2/98	\$1.00	11/9/98	\$2.92
6/29/98	\$0.39	9/3/98	\$1.00	11/10/98	\$2.89
6/30/98	\$0.39	9/4/98	\$1.01	11/11/98	\$2.93
7/1/98	\$0.38	9/8/98	\$1.05	11/12/98	\$2.99
7/2/98	\$0.39	9/9/98	\$1.03	11/13/98	\$2.96

continued

Anicom Shareholder Class Settlement Plan of Allocation
(Inflation per Share per Day)

<u>Date</u>	<u>Average Inflation Per Share</u>	<u>Date</u>	<u>Average Inflation Per Share</u>	<u>Date</u>	<u>Average Inflation Per Share</u>
11/16/98	\$2.91	1/26/99	\$2.62	4/5/99	\$6.17
11/17/98	\$2.98	1/27/99	\$2.65	4/6/99	\$6.21
11/18/98	\$2.96	1/28/99	\$2.63	4/7/99	\$7.06
11/19/98	\$3.00	1/29/99	\$2.56	4/8/99	\$7.02
11/20/98	\$3.00	2/1/99	\$2.61	4/9/99	\$6.85
11/23/98	\$2.94	2/2/99	\$2.51	4/12/99	\$6.72
11/24/98	\$2.89	2/3/99	\$2.54	4/13/99	\$6.64
11/25/98	\$2.89	2/4/99	\$2.53	4/14/99	\$6.26
11/27/98	\$2.87	2/5/99	\$2.54	4/15/99	\$6.38
11/30/98	\$2.93	2/8/99	\$2.53	4/16/99	\$6.21
12/1/98	\$2.88	2/9/99	\$2.52	4/19/99	\$6.04
12/2/98	\$2.95	2/10/99	\$2.49	4/20/99	\$6.33
12/3/98	\$2.89	2/11/99	\$2.51	4/21/99	\$6.33
12/4/98	\$2.91	2/12/99	\$2.48	4/22/99	\$6.00
12/7/98	\$2.88	2/16/99	\$2.49	4/23/99	\$6.21
12/8/98	\$2.82	2/17/99	\$5.11	4/26/99	\$6.12
12/9/98	\$2.81	2/18/99	\$5.19	4/27/99	\$6.16
12/10/98	\$2.74	2/19/99	\$5.19	4/28/99	\$6.12
12/11/98	\$2.63	2/22/99	\$5.32	4/29/99	\$6.63
12/14/98	\$2.77	2/23/99	\$5.07	4/30/99	\$6.54
12/15/98	\$2.79	2/24/99	\$5.03	5/3/99	\$6.33
12/16/98	\$2.75	2/25/99	\$4.98	5/4/99	\$6.12
12/17/98	\$2.75	2/26/99	\$5.07	5/5/99	\$6.43
12/18/98	\$2.67	3/1/99	\$5.07	5/6/99	\$6.98
12/21/98	\$2.70	3/2/99	\$4.89	5/7/99	\$6.78
12/22/98	\$2.83	3/3/99	\$4.84	5/10/99	\$6.73
12/23/98	\$2.82	3/4/99	\$4.59	5/11/99	\$7.06
12/24/98	\$2.77	3/5/99	\$5.32	5/12/99	\$7.66
12/28/98	\$2.74	3/8/99	\$5.79	5/13/99	\$7.66
12/29/98	\$2.74	3/9/99	\$6.01	5/14/99	\$7.70
12/30/98	\$2.74	3/10/99	\$6.09	5/17/99	\$7.49
12/31/98	\$2.78	3/11/99	\$5.76	5/18/99	\$7.58
1/4/99	\$2.86	3/12/99	\$5.28	5/19/99	\$7.62
1/5/99	\$2.89	3/15/99	\$5.19	5/20/99	\$7.20
1/6/99	\$2.89	3/16/99	\$5.03	5/21/99	\$7.47
1/7/99	\$2.89	3/17/99	\$5.11	5/24/99	\$7.28
1/8/99	\$2.84	3/18/99	\$4.98	5/25/99	\$6.82
1/11/99	\$2.82	3/19/99	\$4.93	5/26/99	\$6.77
1/12/99	\$2.81	3/22/99	\$4.93	5/27/99	\$7.15
1/13/99	\$2.62	3/23/99	\$4.84	5/28/99	\$7.10
1/14/99	\$2.60	3/24/99	\$4.93	6/1/99	\$7.06
1/15/99	\$2.60	3/25/99	\$4.79	6/2/99	\$7.10
1/19/99	\$2.60	3/26/99	\$4.89	6/3/99	\$6.87
1/20/99	\$2.59	3/29/99	\$4.89	6/4/99	\$6.62
1/21/99	\$2.62	3/30/99	\$5.68	6/7/99	\$6.87
1/22/99	\$2.58	3/31/99	\$6.46	6/8/99	\$6.57
1/25/99	\$2.62	4/1/99	\$6.80	6/9/99	\$6.52

continued

Anicom Shareholder Class Settlement Plan of Allocation
(Inflation per Share per Day)

Date	Average Inflation Per Share	Date	Average Inflation Per Share	Date	Average Inflation Per Share
6/10/99	\$6.47	8/17/99	\$4.74	10/22/99	\$2.82
6/11/99	\$6.22	8/18/99	\$4.76	10/25/99	\$2.93
6/14/99	\$6.36	8/19/99	\$4.63	10/26/99	\$2.63
6/15/99	\$6.51	8/20/99	\$4.63	10/27/99	\$2.72
6/16/99	\$6.71	8/23/99	\$4.88	10/28/99	\$2.79
6/17/99	\$7.01	8/24/99	\$4.84	10/29/99	\$2.68
6/18/99	\$7.05	8/25/99	\$4.67	11/1/99	\$3.02
6/21/99	\$8.17	8/26/99	\$4.58	11/2/99	\$3.28
6/22/99	\$7.46	8/27/99	\$4.65	11/3/99	\$3.60
6/23/99	\$7.38	8/30/99	\$4.53	11/4/99	\$3.66
6/24/99	\$7.92	8/31/99	\$4.43	11/5/99	\$3.04
6/25/99	\$7.96	9/1/99	\$4.33	11/8/99	\$3.13
6/28/99	\$7.63	9/2/99	\$4.28	11/9/99	\$3.18
6/29/99	\$7.63	9/3/99	\$4.66	11/10/99	\$2.99
6/30/99	\$7.96	9/7/99	\$4.47	11/11/99	\$3.32
7/1/99	\$7.96	9/8/99	\$4.23	11/12/99	\$3.23
7/2/99	\$8.13	9/9/99	\$4.23	11/15/99	\$3.61
7/6/99	\$8.21	9/10/99	\$4.08	11/16/99	\$3.51
7/7/99	\$7.96	9/13/99	\$4.17	11/17/99	\$3.32
7/8/99	\$7.34	9/14/99	\$4.05	11/18/99	\$3.37
7/9/99	\$7.57	9/15/99	\$4.12	11/19/99	\$3.42
7/12/99	\$7.42	9/16/99	\$3.87	11/22/99	\$3.23
7/13/99	\$7.30	9/17/99	\$3.95	11/23/99	\$3.13
7/14/99	\$7.30	9/20/99	\$3.67	11/24/99	\$2.94
7/15/99	\$6.01	9/21/99	\$3.17	11/26/99	\$3.41
7/16/99	\$5.86	9/22/99	\$3.56	11/29/99	\$3.39
7/19/99	\$6.01	9/23/99	\$3.37	11/30/99	\$3.18
7/20/99	\$5.71	9/24/99	\$3.46	12/1/99	\$3.03
7/21/99	\$5.81	9/27/99	\$3.41	12/2/99	\$3.13
7/22/99	\$5.45	9/28/99	\$3.80	12/3/99	\$3.13
7/23/99	\$5.40	9/29/99	\$3.94	12/6/99	\$2.89
7/26/99	\$5.30	9/30/99	\$3.70	12/7/99	\$2.84
7/27/99	\$5.35	10/1/99	\$3.10	12/8/99	\$2.74
7/28/99	\$5.50	10/4/99	\$2.82	12/9/99	\$2.74
7/29/99	\$5.75	10/5/99	\$2.82	12/10/99	\$2.81
7/30/99	\$5.75	10/6/99	\$2.82	12/13/99	\$2.78
8/2/99	\$5.65	10/7/99	\$2.77	12/14/99	\$2.78
8/3/99	\$5.30	10/8/99	\$2.82	12/15/99	\$2.69
8/4/99	\$5.35	10/11/99	\$2.77	12/16/99	\$2.73
8/5/99	\$5.30	10/12/99	\$2.72	12/17/99	\$2.78
8/6/99	\$5.35	10/13/99	\$2.63	12/20/99	\$3.02
8/9/99	\$5.35	10/14/99	\$2.59	12/21/99	\$3.16
8/10/99	\$5.25	10/15/99	\$2.63	12/22/99	\$3.11
8/11/99	\$5.10	10/18/99	\$2.48	12/23/99	\$3.16
8/12/99	\$4.70	10/19/99	\$2.77	12/27/99	\$2.73
8/13/99	\$4.80	10/20/99	\$2.72	12/28/99	\$2.69
8/16/99	\$4.72	10/21/99	\$2.77	12/29/99	\$2.88

continued

Anicom Shareholder Class Settlement Plan of Allocation
(Inflation per Share per Day)

<u>Date</u>	<u>Average Inflation Per Share</u>	<u>Date</u>	<u>Average Inflation Per Share</u>	<u>Date</u>	<u>Average Inflation Per Share</u>
12/30/99	\$2.83	3/8/00	\$5.63	5/15/00	\$3.50
12/31/99	\$2.83	3/9/00	\$5.79	5/16/00	\$3.44
1/3/00	\$2.88	3/10/00	\$5.88	5/17/00	\$3.48
1/4/00	\$2.78	3/13/00	\$5.54	5/18/00	\$3.42
1/5/00	\$2.78	3/14/00	\$5.71	5/19/00	\$3.42
1/6/00	\$2.80	3/15/00	\$5.41	5/22/00	\$3.46
1/7/00	\$2.85	3/16/00	\$6.00	5/23/00	\$3.38
1/10/00	\$2.85	3/17/00	\$6.05	5/24/00	\$3.42
1/11/00	\$2.76	3/20/00	\$5.94	5/25/00	\$3.42
1/12/00	\$2.80	3/21/00	\$5.88	5/26/00	\$3.42
1/13/00	\$2.85	3/22/00	\$5.84	5/30/00	\$3.42
1/14/00	\$2.85	3/23/00	\$6.05	5/31/00	\$3.42
1/18/00	\$2.88	3/24/00	\$5.79	6/1/00	\$3.44
1/19/00	\$2.83	3/27/00	\$5.75	6/2/00	\$3.55
1/20/00	\$2.85	3/28/00	\$5.58	6/5/00	\$3.42
1/21/00	\$4.92	3/29/00	\$5.37	6/6/00	\$3.42
1/24/00	\$5.00	3/30/00	\$4.75	6/7/00	\$3.30
1/25/00	\$4.71	3/31/00	\$4.75	6/8/00	\$3.22
1/26/00	\$4.50	4/3/00	\$4.26	6/9/00	\$3.19
1/27/00	\$4.03	4/4/00	\$4.23	6/12/00	\$2.78
1/28/00	\$3.85	4/5/00	\$4.96	6/13/00	\$2.91
1/31/00	\$4.15	4/6/00	\$4.75	6/14/00	\$2.93
2/1/00	\$4.23	4/7/00	\$4.81	6/15/00	\$2.90
2/2/00	\$4.19	4/10/00	\$4.40	6/16/00	\$2.93
2/3/00	\$4.36	4/11/00	\$4.23	6/19/00	\$2.93
2/4/00	\$4.02	4/12/00	\$4.00	6/20/00	\$2.78
2/7/00	\$4.31	4/13/00	\$3.82	6/21/00	\$2.90
2/8/00	\$5.11	4/14/00	\$3.12	6/22/00	\$2.78
2/9/00	\$4.90	4/17/00	\$3.52	6/23/00	\$2.78
2/10/00	\$4.86	4/18/00	\$3.75	6/26/00	\$2.73
2/11/00	\$5.61	4/19/00	\$3.69	6/27/00	\$2.70
2/14/00	\$5.82	4/20/00	\$3.78	6/28/00	\$2.46
2/15/00	\$5.53	4/24/00	\$3.58	6/29/00	\$2.28
2/16/00	\$4.98	4/25/00	\$4.10	6/30/00	\$2.50
2/17/00	\$5.36	4/26/00	\$3.98	7/3/00	\$2.39
2/18/00	\$4.90	4/27/00	\$3.78	7/5/00	\$2.45
2/22/00	\$5.74	4/28/00	\$3.52	7/6/00	\$2.56
2/23/00	\$5.63	5/1/00	\$3.81	7/7/00	\$2.56
2/24/00	\$5.92	5/2/00	\$3.87	7/10/00	\$2.50
2/25/00	\$6.47	5/3/00	\$3.75	7/11/00	\$2.48
2/28/00	\$6.17	5/4/00	\$3.75	7/12/00	\$2.61
2/29/00	\$6.26	5/5/00	\$3.58	7/13/00	\$2.66
3/1/00	\$6.05	5/8/00	\$3.58	7/14/00	\$2.68
3/2/00	\$6.00	5/9/00	\$3.24	7/17/00	\$2.71
3/3/00	\$5.71	5/10/00	\$2.78	7/18/00	\$2.59
3/6/00	\$5.63	5/11/00	\$3.26		
3/7/00	\$5.46	5/12/00	\$3.34		