

UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

U.S. Securities and Exchange Commission, Plaintiff,
v.
Time Warner Inc., Defendant.

Civil Action No. 1:05CV00578 (GK)

Notice to Possible SEC Fair Fund Claimants

To: All Persons or Entities that Purchased, Exchanged or Otherwise Acquired Publicly Traded Common Stock of America Online, Inc. (“AOL”) and/or Purchased or Sold Options on AOL Common Stock from September 22, 2000 through and including January 11, 2001, and All Persons or Entities that Purchased, Exchanged or Otherwise Acquired Publicly Traded Common Stock or Bonds of Time Warner, Inc. (Formerly Known as AOL Time Warner Inc.) (“Time Warner”) and/or Purchased or Sold Options on Time Warner Common Stock from January 11, 2001 through and including August 27, 2002, and were damaged thereby.

On March 25, 2005, the United States District Court for the District of Columbia entered a Final Judgment against Time Warner where, without admitting or denying the allegations in the complaint of the United States Securities and Exchange Commission (the “SEC”), Time Warner agreed to pay \$1 in disgorgement and a \$300 million civil penalty. *SEC v. Time Warner, Inc.*, Civil Action No. 1:05CV00578 (GK) (D.D.C. March 21, 2005). Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, these funds, plus interest, are eligible to be distributed through the Fair Fund established for the benefit of certain AOL and Time Warner shareholders (the “SEC Fair Fund”). In total, the SEC Fair Fund currently consists of approximately \$308 million. The SEC Fair Fund will be distributed *pro rata* to eligible persons or entities that purchased, exchanged or otherwise acquired publicly traded common stock of AOL and/or purchased or sold options on AOL common stock from September 22, 2000 through and including January 11, 2001, and all persons or entities that purchased, exchanged or otherwise acquired publicly traded common stock or bonds of Time Warner and/or purchased or sold options on Time Warner common stock from January 11, 2001 through and including August 27, 2002 (the “SEC Fair Fund Period”), and were damaged thereby.

The SEC Fair Fund is in addition to the amount recovered in *In re Time Warner, Inc. Securities & “ERISA” Litigation*, Case No. 02 Civ. 5575 (SWK) (the “Time Warner Securities Litigation Settlement”). Please note that no attorneys’ fees can be based on, or claimed, and none will be deducted, from the SEC Fair Fund. Please also note that the SEC Fair Fund Period is shorter than the Securities Class Period in the Time Warner Securities Litigation Settlement.

If you purchased, exchanged or otherwise acquired publicly traded common stock of AOL and/or purchased or sold options on AOL common stock from September 22, 2000 through and including January 11, 2001, and/or purchased, exchanged or otherwise acquired publicly traded common stock or bonds of Time Warner and/or purchased or sold options on Time Warner common stock from January 11, 2001 through and including August 27, 2002, and you were damaged thereby, you may be eligible to share in the SEC Fair Fund.

The claims administrator, Gilardi & Co., LLC., is sending you with this Notice a SEC Fair Fund Proof of Claim. **If you requested exclusion from the Time Warner Securities Litigation and wish to recover from the SEC Fair Fund, you must mail a valid SEC Fair Fund Proof of Claim, postmarked no later than August 25, 2006, to the claims administrator at the following address: Time Warner Securities & “ERISA” Litigation, c/o Gilardi & Co., LLC, P.O. Box 808061, Petaluma, CA 94975-8061, 1-877-800-7852.** If, for whatever reason, you do not receive a SEC Fair Fund Proof of Claim, copies may be obtained from the claims administrator or downloaded from www.aoltimewarnersettlement.com.

If you did not request exclusion from the Time Warner Securities Litigation and have already submitted a Proof of Claim and Release to the claims administrator, you should *not* submit another proof of claim; the Proof of Claim and Release that you already submitted will be used to determine your eligibility to share in the SEC Fair Fund.

Please note that funds from the SEC Fair Fund will be distributed using the Plan of Allocation that was approved by the Court in the Time Warner Securities Litigation Settlement, except that the SEC Fair Fund Period is shorter than the Securities Class Period and the recoveries from the SEC Fair Fund will not be capped as required by the Private Securities Litigation Reform Act, which does not apply to SEC actions. A copy of the plan of allocation for the SEC Fair Fund may be viewed or downloaded by visiting www.aoltimewarnersettlement.com. Any funds remaining from the SEC Fair Fund will be returned to the United States District Court for the District of Columbia and thereafter disbursed according to the law.

Please do not contact the Court or the Clerk's Office regarding this Notice. Inquiries may be made to Gilardi & Co., LLC, P.O. Box 808061, Petaluma, CA 94975-8061, 1-877-800-7852 (phone).

Dated: July 17, 2006