

UNITED STATES DISTRICT COURT, DISTRICT OF NEVADA

**IF YOU LOST MONEY BETWEEN JULY 5, 2008 THROUGH JULY 5, 2013 AS A RESULT OF INVESTING IN SECURITIES ISSUED BY MRI INTERNATIONAL, INC., A CLASS ACTION LAWSUIT MAY AFFECT YOUR RIGHTS.**

*A federal court authorized this notice. This is not a solicitation from a lawyer.*

- A proposed settlement with ICAG, Inc. (“ICAG”), if approved by the Court, will provide:
  - Payment in the amount of \$265,000;
  - An assignment of accounts receivable in the amount of \$150,000 owed by Premier Entertainment Services International, Inc. to ICAG (however, there is no guarantee that any amount of this accounts receivable can be collected); and
  - An assignment of a 15% interest in HMC Service Center, LLC (however, there is no guarantee that any amount of this 15% interest in HMC Service Center, LLC can be collected)

to pay claims to investors who lost money between July 5, 2008 and July 5, 2013 as a result of investing in securities issued by MRI International, Inc.

- The settlement partially resolves a lawsuit over whether ICAG was a recipient of commissions from MRI International, Inc.’s fraudulent securities scheme; it avoids costs and risks to you from continuing the lawsuit against ICAG; obtains money for investors like you; and releases ICAG from liability.
- Court-appointed lawyers for investors will ask the Court for 25% of the entire amount that is collected, as fees and reimbursement for expenses in investigating the facts, litigating the case, and negotiating the settlement.
- The two sides disagree on how much money could have been won if investors won at trial.
- Your legal rights are affected whether you do or don’t act. Read this notice carefully.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:</b>	
<b>SUBMIT A CLAIM FORM</b>	The only way to receive a payment is to submit a Final Claim Form. You will be notified when you must submit your Final Claim Form.
<b>EXCLUDE YOURSELF</b>	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against ICAG about the legal claims in this case.
<b>OBJECT</b>	Write to the Court about why you don't like the settlement.
<b>GO TO A HEARING</b>	Ask to speak in Court about the fairness of the settlement.

QUESTIONS? VISIT [WWW.MRI-HIGAIBENGODAN.JP](http://WWW.MRI-HIGAIBENGODAN.JP) OR CALL 03-5363-5667

<b>DO NOTHING</b>	Get no payment. Give up rights.
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- These rights and options – **and the deadlines to exercise them** – are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved, and most likely, after the claims against the remaining defendants are either settled or determined on the merits. Please be patient.

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## BASIC INFORMATION

### 1. Why did I get this notice package?

You or someone in your family may have purchased MRI securities between July 5, 2008 and July 5, 2013 or were not repaid during this period.

The Court sent you this notice because you have a right to know about a proposed partial settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves it and after objections and appeals are resolved, and most likely, after claims against the remaining defendants are either settled or determined on the merits, an administrator appointed by the Court will make the payments that the settlement allows. You will be informed of the progress of the settlement and the continuation of the lawsuit against non-settling defendants.

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the District of Nevada, and the case is known as *Shige Takiguchi, et al. v. MRI International, Inc., et al.*, Case No. 2:13-cv-01183-HDM-VCF. The people who sued are called Plaintiffs, and the companies and the persons they sued are called the defendants.

### 2. What is this lawsuit about?

In the lawsuit, the Plaintiffs claim that MRI and the other defendants orchestrated a fraudulent securities scheme. Specifically, Plaintiffs claim that the defendants solicited investors on the false promises that: i) the investments would be used solely to buy medical account receivables; ii) the investors' money would be controlled by an independent escrow company over which MRI had no control; and iii) various U.S. government agencies guaranteed the investments' safety. Plaintiffs claim that these promises were false, since the money was not used to buy medical account receivables, the investors' money was controlled solely by MRI's chief executive, the money was used to fund the defendants' luxurious lifestyles, and governmental agencies did not guarantee the investments. Plaintiffs claim that MRI was a Ponzi scheme, where the defendants used money paid by new investors to pay off prior investors. As a result, in 2013, MRI collapsed, and the investors lost their money.

The U.S. Securities and Exchange Commission has obtained a judgment against MRI and its principal, Edwin Fujinaga, in the amount of \$564,359,364.08 in a separate legal proceeding, *Securities and Exchange Commission v. Edwin Yoshihiro Fujinaga, et al.*, Case No. 2:13-cv-1658-JCM-CWH. Additionally, the U.S. Department of Justice has indicted Mr. Fujinaga as well as Junzo and Paul Suzuki in separate criminal proceedings, *United States v. Edwin Fujinaga, Junzo Suzuki, and Paul Suzuki*, Case No. 2:15-cr-198-LDG.

ICAG denies that it did anything wrong, and denies that MRI was a Ponzi scheme. This settlement does not mean that ICAG did anything wrong. None of the alleged wrongdoing or liability of any kind has been established by the court in this Action or this settlement.

The Court has not resolved the claims and defenses of the parties in the Action. The Court also has not resolved whether defendants did anything wrong.

This Notice should not be understood as an expression of any opinion by the Court as to the merits of the Plaintiff's claims or ICAG defenses. Plaintiffs and ICAG recognize that to litigate these and other important issues would be time-consuming, uncertain, and expensive.

### **3. Why is this a class action?**

In a class action, one or more people called Class Representatives sue on behalf of people who have similar claims. All these people are a Class or Class Members. The court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

### **4. Why is there a settlement?**

This notice relates to a proposed settlement with ICAG. The Court did not decide in favor of Plaintiffs or ICAG. The Plaintiffs think they could have won at trial. ICAG thinks the Plaintiffs would not have won anything from a trial. But there was no trial. Instead, Plaintiffs and ICAG agreed to a settlement. That way, they avoid the cost of a trial, and the people affected will get compensation. The Class Representative and the attorneys think the settlement is best for all Class Members.

## **WHO IS IN THE SETTLEMENT**

To see if you will get money from this settlement, you first have to decide if you are a Class Member.

### **5. How do I know if I am part of the settlement?**

The Court decided that everyone who fits this description is a Class Member: all persons who were MRI investors and who were injured as a result of the defendants' alleged Ponzi scheme and actions from July 5, 2008 through July 5, 2013. Excluded from the class are the defendants, their employees, their family members and their affiliates, and the following 26 individuals who are plaintiffs in pending litigation against the defendants in Japan: (1) Tomoyasu Kojima; (2) Keiko Amaya; (3) Masakazu Sekihara; (4) Chiri Satou; (5) Meiko Murakami; (6) Masayoshi Tsutsumi; (7) Yumiko Ishiguro; (8) Reiko Suzuki; (9) Hiroji Sumita; (10) Eiko Uchiyama; (11) Hideyo Uchiyama; (12) Youzou Shiki; (13) Naoki Nagasawa; (14) Noboru Yokoyama; (15) Masami Segawa; (16) Fumiko Takagi; (17) Kumiko Kaita; (18) Fumi Kobayashi; (19) Ikuko Miyazaki; (20) Hina Nagase; (21) Akio Iwama; (22) Kouji Kishida; (23) Eri Kishida; (24) Nomai Nii; (25) Youko Miyahara; and (26) Tsukiko Kurano.

### **6. Are there exceptions to being included?**

Additionally excluded from the Class the following individuals who have excluded themselves from the Class at the time of class certification: (1) Makiko Kato; (2) Kazuya Fujimura; (3) Kabushikikaisha EKC; (4) Reiko Endo; (5) Naoko Suo; (6) Kikuko Yasui; (7) Kazuto Noguchi; (8) Toshio Hayashi; (9) Naomi Ukei; (10) Keiichirou Kuriyama; (11) Katsuko Kuriyama; (12) Kazuo Okayasu; (13) Takashi Yamamoto; (14) Mitsuo Kimura; (15) Masanori Asano; (16) Mari Obora; (17) Chiyoko Obora; (18) Kazuo Shimamura; (19) Yoshinari Nishi; (20) Rumi Nishi; (21) Yumi Nishiguchi; (22) Yousuke

Masuda; (23) Kuniko Masuda; (24) Michiko Mukai; (25) Masaru Mukai; (26) Mitsuro Takezoe; (27) Yoriko Keida; (28) Yuuki Makino; (29) Teruo Takamoto; (30) Masanobu Shimura; (31) Atsuko Shimonari; (32) Syouichi Takayama; (33) Machiko Takayama; (34) Keirei Tou.

#### **7. I'm still not sure if I am Included.**

If you are still not sure whether you are included, you can ask for free help. You can call 03-5363-5667 in Tokyo, Japan or visit [www.mri-higaibengodan.jp](http://www.mri-higaibengodan.jp) for more information.

### **THE SETTLEMENT BENEFITS – WHAT YOU GET**

#### **8. What does the settlement provide?**

The settling defendants have agreed to:

- Payment in the amount of \$265,000;
- An assignment of accounts receivable in the amount of \$150,000 owed by Premier Entertainment Services International, Inc. to ICAG (however, there is no guarantee that any amount of this accounts receivable can be collected); and
- An assignment of a 15% interest in HMC Service Center, LLC (however, there is no guarantee that any amount can be collected)

These will fund (1) payments to Class Members who send in a valid claim form, (2) approved attorneys' fees and costs, and (3) the settlement notice and administrative costs.

#### **9. How much will my payment be?**

Your share of the fund will depend on the number of valid final claim forms submitted and your alleged out-of-pocket losses, or as otherwise allocated by the Court.

### **HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM**

#### **10. How can I get a payment?**

To receive payment, when instructed, you must submit a final claim form at a later date. A final claim form will be sent to you after the claims against the remaining defendants are settled or determined on the merits, or as the Court may direct. At the same time that the final claim forms are sent to Class Members, the final claim form will also be posted on the internet at [www.mri-higaibengodan.jp](http://www.mri-higaibengodan.jp). The final claim form is required; it is not optional. When you receive it, read the instructions carefully, fill out the form, provide any additional documents that are listed as necessary, sign it, and mail it postmarked by the deadline that is stated on the final claim form. If you do not submit a timely and complete final claim form, you will not receive a payment.

**11. When would I get my payment?**

It is not yet known when payments will be distributed. Because the entire case has not yet been resolved, settlement payments likely will be deferred until the final resolution of the Action, so that eligible Class Members will receive one payment. Please be patient.

**12. What am I giving up to get a payment or stay in the Class?**

Unless you exclude yourself, you are staying in the class, and that means that you can't sue, continue to sue, or be part of any other lawsuit against the settling defendants about the legal issues in this case. It also means that all of the Court's orders will apply to you and legally bind you. If you sign a claim form, you will agree to a "Release of Claims," attached to the claim form, which describes exactly the legal claims that you give up if you get settlement benefits.

**EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you don't want a payment from this settlement, but you want to keep the right to sue or continue to sue ICAG, on your own, about the legal issues in this case, then you must take steps to get out. This is called excluding yourself – or is sometimes referred to as opting out of the Settlement Class.

**13. How do I get out of the settlement?**

To exclude yourself from the settlement, you must send a letter by mail saying that you want to be excluded from the ICAG settlement in *Shige Takiguchi, et al. v. MRI International, Inc., et al.* Be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request postmarked no later than **April 25, 2018** to:

MRI Exclusions  
MRI Higai Bengodan  
1-15-9 Sawada Building Fifth Floor  
Shinjuku, Shinjuku-ku, Tokyo  
160-0022

If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. You may be able to sue (or continue to sue) the settling defendants in the future.

**14. If I don't exclude myself, can I sue the settling defendants for the same thing later?**

No. Unless you exclude yourself, you give up any right to sue ICAG for the claims that this settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is **April 25, 2018**.

**15. If I exclude myself, can I get benefits from this settlement?**

No. If you exclude yourself, do not send in a claim form to ask for any money. But you may sue, continue to sue, or be part of a different lawsuit against the settling defendants.

## THE LAWYERS REPRESENTING YOU

### 16. Do I have a lawyer in this case?

The Law Offices of Robert W. Cohen, A.P.C. and Manning & Kass Ellrod, Ramirez, Trester LLP represent you and other Class Members. These lawyers are called Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

### 17. How will the lawyers be paid?

In connection with the final approval of the proposed settlement, Class Counsel will seek attorneys' fees and costs of 25% of what is actually collected. This means Class Counsel will ask for up to \$66,250, which is 25% of the cash payment of \$265,000. Additionally, Class Counsel will ask for up to 25% of the amount collected from Premier Entertainment Services International, Inc. but no more than \$37,500. Lastly, Class Counsel will ask for up to 25% of the amount collected from the 15% interest in HMC Service Center, LLC, but no more than \$300,000. Therefore, the maximum amount Class Counsel may request for attorneys' fees will be \$403,750.

The fees would pay Class Counsel for investigating the facts, litigating the case, and negotiating the settlement. The Court may award less than these amounts. ICAG has agreed not to oppose these requests.

## OBJECTING TO THE SETTLEMENT

You can tell the Court that you don't agree with the settlement or some part of it.

### 18. How do I tell the Court that I don't like the settlement?

If you're a Class Member, you can object to the settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the ICAG settlement in *Shige Takiguchi, et al. v. MRI International, Inc., et al.* Be sure to include your name, address, telephone number, your signature, and the reasons you object to the settlement. Mail the objection to these addresses postmarked no later than **April 25, 2018**:

#### Court

Clerk of Court  
United States District Court, District of Nevada  
400 S. Virginia St., Suite 301  
Reno, NV 89501

#### Class Counsel

Robert W. Cohen, Esq.  
Mariko Taenaka, Esq.  
LAW OFFICES OF ROBERT W. COHEN, A.P.C.  
1901 Avenue of the Stars, Suite 1900

#### Class Counsel

James E. Gibbons, Esq.  
MANNING & KASS  
ELLROD, RAMIREZ, TRESTER LLP  
801 S. Figueroa St, 15th Floor

QUESTIONS? VISIT [WWW.MRI-HIGAIBENGODAN.JP](http://WWW.MRI-HIGAIBENGODAN.JP) OR CALL 03-5363-5667



Los Angeles, CA 90067  
Telephone: (310) 282-7586  
Facsimile: (310) 282-7589  
rwc@robertwcohenlaw.com  
mt@robertwcohenlaw.com

Los Angeles, California 90017-3012  
Telephone: (213) 624-6900  
Facsimile: (213) 624-6999  
jeg@manningllp.com

Counsel for Defendant ICAG, Inc.

Jacob A. Reynolds, Esq.  
Hutchinson & Steffen, LLC  
10080 Alta Drive  
Las Vegas, Nevada 89145  
Telephone: (702) 385-2500  
Facsimile: (702) 385-2086

**19. What's the difference between objecting and excluding?**

Objecting is simply telling the Court that you don't like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

**THE COURT'S FAIRNESS HEARING**

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

**20. When and where will the Court decide whether to approve the settlement?**

The Court will hold a Fairness Hearing at **9:00 a.m. on May 22, 2018**, at the United States District Court for the District of Nevada, 400 S. Virginia St., Suite 301, Reno, Nevada, 89501, in Courtroom 4. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The judge will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Class Counsel. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

**21. Do I have to come to the hearing?**

No. Class Counsel will answer questions the judge may have. But, you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

**22. May I speak at the hearing?**

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear in *Shige Takiguchi, et al. v. MRI International, Inc.*,

*et al.*” Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be postmarked no later than **April 25, 2018**, and be sent to the Clerk of the Court, Class Counsel, and Defense Counsel, at the addresses in question 18. You cannot speak at the hearing if you excluded yourself.

### **IF YOU DO NOTHING**

#### **23. What happens if I do nothing at all?**

If you do nothing, you'll get no money from this settlement. But unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the settling defendants about the legal issues in this case, ever again.

### **GETTING MORE INFORMATION**

#### **24. Are there more details about the settlement?**

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by writing to Law Offices of Robert W. Cohen, P.C., 1901 Avenue of the Stars, Suite 1900, Los Angeles, California 90067, or Manning & Kass Ellrod, Ramirez, Trester LLP, 801 S. Figueroa Street, 15th Floor, Los Angeles, California 90017, or by visiting [www.mri-higaibengodan.jp](http://www.mri-higaibengodan.jp).

#### **25. How do I get more information?**

You can call 03-5363-5667; write to MRI Settlement, MRI Higai Bengodan, 1-15-9 Sawada Building Fifth Floor, Shinjuku, Shinjuku-ku, Tokyo, 160-0022; or visit the website at [www.mri-higaibengodan.jp](http://www.mri-higaibengodan.jp), where you will find answers to common questions about the settlement, claim forms, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

DATE: March 4, 2018