

IN THE DISTRICT COURT OF CUYAHOGA COUNTY

STATE OF OHIO

RITA E. WARD, on behalf of herself and all others similarly situated,

Plaintiff,

vs.

NATIONAL CITY CORPORATION, JON E. BARFIELD, JAMES S. BROADHURST, CHRISTOPHER M. CONNOR, BERNADINE P. HEALY, JEFFREY D. KELLY, ALLEN H. KORANDA, MICHAEL B. McCALLISTER, PAUL A. ORMOND, PETER E. RASKIND, GERALD L. SHAHEEN, RICHARD E. THORNBURGH, JERRY SUE THORNTON, MORRY WEISS, and THE PNC FINANCIAL SERVICES GROUP, INC.,

Defendants.

Case No.

Judge

JURY TRIAL DEMANDED

CLASS ACTION COMPLAINT FOR BREACH OF FIDUCIARY DUTY

Plaintiff, by her attorneys, submits this Class Action Complaint based upon breach of fiduciary duty against the Defendants named herein.

1. This is a shareholder class action brought by plaintiff on behalf of shareholders of National City Corporation (“National City” or the “Company”) common stock to enjoin the proposed acquisition of the publicly owned shares of National City common stock by The PNC Financial Services Group, Inc. (“PNC”), as detailed herein (the “Proposed Transaction”).
2. In pursuing this unlawful plan to cash out National City’s public stockholders for grossly inadequate consideration of 0.0392 shares of PNC common stock for each share of National City (a value of \$2.23 per share), each of the Defendants violated applicable law by directly breaching and/or aiding the other Defendants’ breaches of their fiduciary duties of loyalty, due care, independence, good faith and fair dealing. Instead of

attempting to negotiate a transaction reflecting the highest price reasonably available for the Company's shareholders, Defendants spent considerable effort tailoring the Proposed Transaction for their benefit.

3. In light of the foregoing, the Individual Defendants must, as their fiduciary obligations require:
 1. **Act independently so that the interests of National City's public stockholders will be protected, including, but not limited to, adequately considering any superior offers for the Company;**
 2. **Adequately ensure that no conflicts of interest exist between Defendants' own interests and their fiduciary obligation to maximize stockholder value or, if such conflicts exist, to ensure that all conflicts be resolved in the best interests of National City's public stockholders;**
 3. **Fairly and fully disclose all material information to the Company's shareholders concerning the Proposed Transaction, or any alternative thereto; and**
 4. **Consider strategic alternatives to the announced sale of National City.**
4. Plaintiff seeks injunctive relief to prevent the defendants from consummating the Proposed Transaction until and unless Defendants remedy their breaches of fiduciary duty.

JURISDICTION AND VENUE

5. This Court has jurisdiction over each Defendant named herein because each Defendant is either a corporation that conducts business in and maintains operations in this County, or is an individual who has sufficient minimum contacts with Ohio so as to render the exercise of jurisdiction by the Ohio Courts permissible under traditional notions of fair play and substantial justice. Furthermore, National City is headquartered in Ohio at 1900 E. Ninth St., Cleveland, Ohio.

6. Plaintiff's claims alleged herein have not been preempted by federal law, nor does Plaintiff's right to relief require the resolution of any substantial, disputed federal question. Plaintiff's claims for breach of fiduciary duty raise no federal claim notwithstanding any unintended reference or references to any federal securities laws, or any violation thereof, and any such unintended reference or references are not essential elements of any of Plaintiff's state law claims.
7. Plaintiff's claims are not removable pursuant to the Class Action Fairness Action of 2005 ("CAFA") because they fall within the exception or exceptions set forth at 28 U.S.C. §§ 1332(d)(9)(B) and (C) and 29 U.S.C. §§ 1453(d)(2) and (d)(3).
8. Plaintiff's claims are not removable pursuant to the Securities Litigation Uniform Standards Act of 1988 ("SLUSA") because they fall within the exception or exceptions thereto. *See* 15 U.S.C. § 77p(d)(1); 15 U.S.C. § 78bb(f)(3).
9. Venue is proper in this Court because the conduct at issue took place and had an effect in this County, and because Defendant National City maintains its principal place of business in Cuyahoga County, Ohio.

THE PARTIES

10. Plaintiff Rita E. Ward owns common stock of National City and has owned such shares continuously and prior to the wrongs complained of herein.
11. Defendant National City is a corporation organized and existing under the laws of the state of Delaware, with its headquarters located at 1900 East Ninth Street. Cleveland, Ohio. National City provides commercial and retail banking services, mortgage financing and services, consumer finance and asset management services. National City common stock trade on the New York Stock Exchange ("NYSE") under the symbol "NCC."
12. Defendant Peter E. Raskind ("Raskind") has served as National City's Chairman of the Board since July 2007 and Chief Executive Officer, President, and director since December 2006. He was also National City's Vice Chairman from December 2004 to December 2006 and Executive Vice President from 2000 to December 2004.
13. Defendant Jeffrey D. Kelly ("Kelly") has served as a member of the Board of Directors of National City since December of 2007. Kelly also serves as National City's Vice Chairman and Chief Financial Officer. He was also National City's Executive Vice President from 1994 to December 2004.
14. Defendant James S. Broadhurst ("Broadhurst") has served as a member of the Board of Directors of National City since 1996. He is also Chairman of the Board's Audit Committee and a member of the Risk and Public Policy Committee.
15. Defendant Jon E. Barfield ("Barfield") has served as a member of the Board of Directors of National City since 1998. Barfield has also a member of the Board's Risk and Public Policy Committee since 2006 and a member of the Board's Audit Committee since 2005.
16. Defendant Paul A. Ormond ("Ormond") has served as a member of the Board of Directors of National City since 1999. Ormond has also been Chairman of the Board's Compensation and Organization Committee since 2005.
17. Defendant Gerald L. Shaheen ("Shaheen") has served as a member of the Board of Directors of National City since 2001. Shaheen has also been a member of the Board's Compensation and Organization Committee since 2005.

18. Defendant Christopher M. Connor (“Connor”) has served as a member of the Board of Directors of National City since 2002. Connor has also been a member of the Board’s Compensation and Organization Committee since 2005.
19. Defendant Bernadine P. Healy (“Healy”) has served as a member of the Board of Directors of National City since 2003. Healy was also a member of the Board of Directors from 1995 to 2001 and again from 1989 to 1990. Healy has been a member of Board’s Compensation and Organization Committee since 2006.
20. Defendant Michael B. McCallister (“McCallister”) has served as a member of the Board of Directors of National City since December of 2006.
21. Defendant Allen H. Koranda (“Koranda”) has served as a member of the Board of Directors of National City since October of 2007. Prior to that, Koranda was Chairman and Chief Executive Officer of MAF Bancorp, Inc. from 1989 until it was acquired by National City in September 2007.
22. Defendant Richard E. Thornburgh (“Thornburgh”) has served as a member of the Board of Directors of National City since May of 2008. Thornburgh is also a principal of Corsair Capital, LLC (“Corsair Capital”), one of the oldest U.S. private equity firms focused exclusively on the financial services industry, which invested in National City in April of 2008 by purchasing 20,000 shares of National City for \$5. In the agreement, Corsair Capital also received a warrant to purchase roughly 39 million shares of National City stock at a strike price of \$7.10 per share, according to Securities and Exchange Commission filings. Corsair Capital, which owns 7.8 percent of National City’s common shares, has agreed to vote in favor of and otherwise support the Proposed Transaction.
23. Defendant Jerry Sue Thornton (“Thornton”) has served as a member of the Board of Directors of National City director since 2001. Thornton has also a member of the Board’s Risk and Public Policy Committee since 2006 and a member of the Audit Committee since 2005.
24. Defendant Morry Weiss (“Weiss”) has served as a member of the Board of Directors of National City since 1993. Weiss has also been Chairman of the board’s Risk and Public Policy Committee since 2007 and a member of the Risk and Public Policy Committee and Audit Committee since 2005.
25. Defendants Barfield, Broadhurst, Connor, Healy, Kelly, Koranda, McCallister, Ormond, Raskind, Shaheen, Thornburgh, Thornton, and Weiss are referred to herein as the “Individual Defendants.”
26. Each Individual Defendant herein is sued individually, as a conspirator and aider and abettor, as well as in their capacity as an officer and/or director of the Company, and the liability of each arises from the fact that he or she has engaged in all or part of the unlawful acts, plans, schemes, or transactions complained of herein.
27. Defendant PNC is one of the nation’s largest financial holding companies. Its core businesses include commercial and retail banking, mortgage financing and servicing, consumer finance, and asset management. PNC’s common stock is traded on the New York Stock Exchange under the symbol “PNC.”

DEFENDANTS’ FIDUCIARY OBLIGATIONS

28. The Individual Defendants owe fiduciary duties including good faith, loyalty, fair dealing, due care and candor to National City and its shareholders.

29. The Individual Defendants, by reason of their positions as executives and/or directors of National City, are fiduciaries to and for the Company's shareholders, which fiduciary relationship requires them to exercise their best judgment, and to act in a prudent manner and in the best interests of the Company's shareholders.
30. The Individual Defendants have an affirmative fiduciary obligation to obtain the highest value reasonably available for the corporation's shareholders. To comply with these duties, neither the directors nor the officers may take any action that:
 1. Adversely affects the value provided to the corporation's shareholders;
 2. Will discourage, inhibit or deter alternative offers to purchase control of the corporation or its assets;
 3. Contractually prohibits them from complying with their fiduciary duties;
 4. Will otherwise adversely affect their duty to secure the best value reasonably available under the circumstances for the corporation's shareholders; and/or
 5. Will provide the directors and/or officers with preferential treatment at the expense of, or separate from, the public shareholders.
31. In accordance with their duties of loyalty and good faith, the Individual Defendants, as directors and/or officers of National City, are obligated to refrain from:
 1. Participating in any transaction where the directors' or officers' loyalties are divided;
 2. Participating in any transaction where the directors or officers receive, or are entitled to receive, a personal financial benefit not equally shared by the public shareholders of the corporation; and/or
 3. Unjustly enriching themselves at the expense of, or to the detriment of, the public shareholders.
32. Plaintiff alleges herein that the Defendants, separately and together, in connection with the Proposed Transaction, are knowingly or recklessly violating their fiduciary duties and aiding and abetting such breaches, including their duties of loyalty, good faith and independence owed to plaintiff and other public shareholders of National City. The Individual Defendants stand on both sides of the transaction, are engaging in self-dealing, are obtaining for themselves personal benefits, including personal financial benefits not shared equally by plaintiff or the Class (as defined herein), and choosing not to provide shareholders will information necessary to make an informed decision in connection with the Proposed Transaction. As a result of the Individual Defendants' self-dealing and divided loyalties, neither plaintiff nor the Class will receive adequate or fair value for their National City common stock through consummation of the Proposed Transaction.

SUBSTANTIVE ALLEGATIONS

A. Background to the Proposed Transaction

33. National City is one of the nation's largest financial holding companies with assets approaching \$106 billion. The Company operates an extensive banking network primarily in Ohio, Florida, Illinois, Indiana, Kentucky, Michigan, Missouri, Pennsylvania, and Wisconsin. The Company claims as its core businesses commercial and retail banking, mortgage financing and servicing, consumer finance and asset management.

34. In 1973, the Company created National City Corp. as a holding company so that it could begin what it called a “cautious, well-planned strategy of acquiring affiliate banks.”
35. In 1999, the Company reported over \$1.3 billion in net income. By 2004 the Company reported over \$2.7 billion in net income.
36. The Company’s acquisition strategy has allowed it to acquire Provident Financial Group in 2004 for approximately \$2.1 billion; Allegiant Bancorp in 2005; Fidelity Bankshares Inc. for approximately \$1 billion in cash and stock and Harbor Florida Bancshares Inc. through a \$1.1 billion stock deal purchase. In May 2007, National City announced the purchase of MAF Bancorp Inc., the holding company for MidAmerica Bank.
37. On October 24, 2007, however, National City announced it would restructure its mortgage business in response to “unprecedented disruption and weakness in the mortgage and housing markets.” In connection with the restructure, the Company transferred \$4.4 billion of held-for-sale home equity lines and loans from “held-for-sale” to “portfolio” because those assets were no longer suitable for sale. The Company also increased its provision for credit losses to \$362 million, up from \$143 million in the previous quarter. Further, the Company announced that it was eliminating 2,500 positions. National City’s third quarter earnings press release issued on this day provided as follows:

National City Corporation today reported third quarter 2007 net income of \$106 million, or \$.18 per diluted share, compared to \$347 million, or \$.60 per diluted share for the second quarter of 2007, and \$526 million, or \$.86 per diluted share for the third quarter of 2006. Third quarter results include a net loss of \$152 million, or \$.25 per diluted share, in the Corporation’s mortgage banking business.

For the nine month period ending September 30, 2007, net income was \$772 million, or \$1.28 per diluted share, compared to \$1.5 billion, or \$2.36 per diluted share, for the comparable period in 2006. Comparisons of the current year’s results to the prior year were affected by mortgage losses, as well as recent acquisitions and divestitures.

CEO’s Comments

President and CEO Peter E. Raskind commented, “Our third quarter results were clearly affected by the *unprecedented disruption and weakness in the mortgage and housing markets*. In response to these conditions, we have *restructured our mortgage business*. The former National Home Equity unit has been merged into National City Mortgage, and production of non-agency eligible mortgages has been either severely curtailed or eliminated altogether. *Loans held for sale have been written down to estimated market prices, and in certain cases, moved to portfolio. Higher loan loss provisions were taken on portfolio mortgage loans, reflecting recent delinquency and loss trends, and continued deterioration in the housing markets.*”

The results of these actions contributed to a *third quarter loss in our mortgage banking business*. At the same time, our retail, commercial banking and asset management businesses performed well. Deposit inflows were strong, and credit quality in the core consumer and commercial portfolios remains sound. Nonetheless, the environment continues to be quite challenging, requiring close attention to costs and relentless focus on day-to-day execution. Based on the difficult conditions in the financial markets, *which we expect to persist into 2008*, we have undertaken an aggressive review of our cost structure across the company. That review, coupled with our 2008 budget process, has resulted in *the elimination of approximately 2,500 positions representing approximately \$125 million of personnel expense.*”

* * *

Loans and Deposits

In light of the adverse mortgage market conditions in the third quarter, management curtailed the production of certain non-agency eligible mortgage and home equity products. In addition, *approximately \$4.4 billion* of held for sale home equity lines and loans were transferred to portfolio.

Average portfolio loans were \$104.4 billion for the third quarter of 2007, up from \$99.7 billion for the second quarter of 2007, and \$97.4 billion in the third quarter of 2006. This increase reflects growth in commercial loans, recent acquisitions and the previously described transfer of home equity lines and loans to portfolio. Average loans held for sale were \$12.6 billion for the third quarter of 2007, about equal to the second quarter, and down \$2.4 billion from the third quarter a year ago due to the sale of the Corporation’s former First Franklin unit in late 2006.

Average total deposits were \$93.5 billion in the third quarter of 2007, up \$3.5 billion, or 4% on a linked-quarter basis, and up \$10.0 billion, or 12%, from the third quarter a year ago. The principal reasons for both the linked quarter and year-over-year increase are recent acquisitions. Continued growth in the number of deposit accounts, as well as higher average balances held in interest-bearing accounts, also contributed to the higher deposit levels in the third quarter of 2007. Average core deposits, excluding mortgage banking escrow balances, were \$77.6 billion, up \$3.6 billion compared to the preceding quarter and \$12.6 billion compared to the third quarter last year.

Credit Quality

The provision for credit losses was \$361 million in the third quarter of 2007, up from \$143 million in the preceding quarter, and \$73 million in the third quarter a year ago. On a year-to-date basis, the provision for credit losses was \$611 million in 2007 versus \$160 million in 2006. During the third quarter of 2007, higher delinquencies, charge-offs and foreclosures occurred in residential real estate and

home equity loans. In light of these trends, a larger provision for credit losses was required in the third quarter of 2007. Conversely, the provision for credit losses in 2006 benefited from improving commercial credit quality, as well as low consumer losses following the consumer bankruptcy law change in late 2005.

Net charge-offs were \$141 million in the third quarter of 2007, compared to \$98 million in the preceding quarter, and \$117 million in the third quarter a year ago. Net charge-offs for the first nine months of 2007 were \$386 million compared to \$314 million in the prior year. The higher charge-offs compared to the preceding quarter were primarily due to the effects of a weakening housing market on residential real estate and home equity borrowers. On a year-over-year basis, net charge-offs for credit card and other unsecured lines of credit also increased due to the previously described effect of the bankruptcy law change.

The allowance for loan losses was \$1.4 billion, or 1.23% of portfolio loans as of September 30, 2007 versus \$1.1 billion, or 1.18% of portfolio loans, as of December 31, 2006. Nonperforming assets were \$1.2 billion at September 30, 2007 compared to \$732 million at December 31, 2006. Nonperforming assets have increased due to a larger balance of portfolio loans, inclusive of problem loans obtained in recent acquisition, and deteriorating credit quality of residential real estate loans associated with weakness in the housing markets.

(Emphasis added).

38. On December 17, 2007, National City announced that it took a \$200 million charge related to its mortgage securities and expected its loan loss provision to be \$700 million, up from the \$362 million announced on October 24, 2007. The Company indicated it still had “elevated risk” from loans made by its First Franklin unit, which totaled approximately \$6.24 billion of National City’s loans in November 2007.
39. As a result of these disruptions, on January 2, 2008, National City announced that it would be reducing its quarterly dividend from \$0.41 per share to \$0.21 per share. In addition, the Company announced that it had eliminated 900 more jobs, raising the total number of positions eliminated in 2007 to 3,400
40. In an attempt to avoid further disruption, defendant Raskind explained to Company shareholders in the Company’s Annual Report for 2007 that the Company had downsized and restructured its mortgage business, exiting all wholesale production channels and narrowing its mortgage product set to agency-eligible mortgages and a small amount of high-quality “jumbo” mortgages. Raskind also stated that the Company has “taken the unpleasant but appropriate actions to deal with these challenges, and to rebuild the value of the investment [shareholders] have entrusted” to the Company.
41. On October 3, 2008, the Emergency Economic Stabilization Act of 2008 was enacted, authorizing the United States Secretary of the Treasury to spend up to \$700 billion to purchase distressed assets, including mortgage-backed securities, from the nation’s banks.

42. On October 10, 2008, Sean Ryan, an industry analyst for Sterne Agee, New York, discussed National City's prospects stating, "at this point, a sale has to be considered a pretty realistic possibility. The decline of the stock price itself puts pressure on management to sell." Regardless, National City spokeswoman Kristen Baird Adams reiterated the Company was "strong, stable and well-capitalized."
43. On October 14, 2008, National City stock gained almost 40 percent on prospects that the U.S. government would strengthen financial companies and spur lending by taking stakes in various regional and national banks.
44. Additionally, on October 14, 2008, in response to the government plan, Company spokeswoman Kelly Wagner Amen stated National City welcomed "any efforts to stabilize and add confidence to the markets," but she noted that it was premature to discuss the Company's possible participation in the Emergency Economic Stabilization Act of 2008.
45. Most recently, on October 21, 2008, the Company reported a net loss for the third quarter of 2008 of \$729 million, driven primarily by continued actions to build loan loss reserves. Despite the turmoil in the financial markets, National City reiterated that the Company was well positioned to survive the widespread disruptions in the overall economy. In the October 21, 2008 press release announcing third quarter results, defendant Raskind stated:

Despite the extraordinary disruptions in the financial markets this quarter, National City continued to maintain a strong capital position and build our franchise for the future. The competitive strength and resilience of our core banking franchise is underscored by the year-over-year growth we achieved in retail deposits and net new households as well as the expansion of existing households. By aggressively executing on our direct and integrated strategy, we continued to gain market share, better leverage cross-selling opportunities and establish deeper, more robust customer relationships across our business. The performance improvement initiative we currently have underway will accelerate the implementation of this strategy, reduce costs and improve our ability to serve customers more efficiently and effectively.

46. The press release noted that the Company began implementing a previously announced performance improvement initiative designed to improve and enhance the Company's earnings power and ability to grow. The initiative primarily focused on reducing costs and implementing changes in organizational structure and operations in an attempt to increase operating efficiency. Accordingly, the Company expected this initiative to result in run-rate annual savings of \$500-\$600 million by 2011.
47. On a conference call discussing Third Quarter Earnings, held on October 21, 2008, Defendant Raskind highlighted a number of strengths and accomplishments during the quarter:

First, our healthy Tier-I capital ratio of 11% remains among the highest of all major banks. As capital markets have tightened the prudence of having acted early to raise substantial capital well in excess of what was necessary became even more apparent this quarter. With approximately \$6.6 billion over the well

capitalized minimum we remain confident that we have more than sufficient capital to ride out the continued turbulence in the credit markets.

* * *

Before moving on to Q&A, I'd like to reiterate the four key points that I believe sum up where we stand today and how we tend to succeed moving forward. First, our healthy Tier-I capital ratio of 11% is substantially higher than our peers and \$6.6 billion above the regulatory minimum. This strong capital position combined with the large and stable deposit base puts us in good stead to deal with continued financial market turbulence and continue to build our franchise for the future.

Second, our portfolios from exited businesses continue to perform in line with expectations. Specifically, \$8.4 billion of the exit portfolio loans account for a disproportionate amount of charge offs while the remainder of these loans are stable to improving. We are continuing to actively manage down and mitigate losses in the exit portfolio and we have flexibility in considering various asset disposition scenarios by virtue of our strong capitalization and prudent reserve building.

Third, the increasingly competitive performance of our core franchise in an extremely challenging market underscores the resilience and vibrancy of our operations. By aggressively executing on our direct and integrated strategy, we achieved year-over-year growth in retail deposits, net new households and household expansion. We gained market share and we established deeper more robust relationships across our business.

Finally, we intend to further enhance our earnings power and ability to grow in a scalable manner through the performance improvement initiative that we have underway. We expect to achieve annual savings of \$500 to \$600 million by 2011 with \$240 million to be achieved in 2009. In sum, while fully recognizing the challenges that we face, we believe that we'll emerge from this difficult environment as a much stronger organization.

48. On October 21, 2008, Standard & Poor's issued a "Hold" recommendation on the shares of National City, citing positive developments, including declining loan loss provisions, and a Tier I capital of 11% that is "highest of major banks," "and stable deposits. As a result S&P maintained a \$4.00 per share price target for National City common stock.
49. On October 23, 2008, the Associated Press reported that National City planned to cut 4,000 jobs nationwide as part of a previously announced initiative to reduce costs. In the face of turmoil in the financial and banking industry, William Eiler, National City's media relations representative reiterated that National City is strong and stable, and "continues to be one of the best capitalized banks in the country."

B. The Proposed Transaction

50. On October 24, 2008, defendants National City and PNC announced that they had signed a definitive agreement by which PNC would acquire National City in a stock-for-stock transaction valued at approximately \$5.2 billion.
51. Based on PNC's closing NYSE stock price of \$56.88 on October 23, 2008, the transaction values each share of National City's common stock at \$2.23.
52. The aggregate consideration is composed of a fixed number of approximately 92 million shares of PNC common stock. Additionally \$384 million of cash is payable to certain warrant holders, including Corsair Capital, which has already agreed to vote its shares in favor of the Proposed Transaction, and certain of National City's largest (yet undisclosed) institutional investors. As a result, these holders are receiving disparate and preferential treatment in the Proposed Transaction, unlike that of the public shareholders.
53. In connection with the Proposed Transaction, National City has issued to PNC an option to acquire 19.9 percent of National City's common stock that becomes exercisable under certain specified circumstances, effectively locking up the Proposed Transaction in favor of PNC and prohibiting another party to come in with a potential higher offer.
54. On October 24, 2008, National City and PNC issued a press release stating, in pertinent part:

The PNC Financial Services Group, Inc. (NYSE: PNC) and National City Corporation (NYSE: NCC) today announced that they have signed a definitive agreement for PNC to acquire National City for \$2.23 per share, or an aggregate fixed amount of approximately \$5.2 billion in PNC stock.

Additionally \$384 million of cash is payable to certain warrant holders. Total consideration approximates National City's market capitalization as of the close of business on October 23, 2008. National City shareholders will be entitled to 0.0392 share of PNC common stock for each share of National City.

PNC plans to issue to the U.S. Treasury \$7.7 billion of preferred stock and related warrants under the TARP Capital Purchase Program subject to standard closing requirements. The U.S. Treasury Department approval of PNC's participation enables PNC to further strengthen its capital position, resulting in an estimated pro forma Tier 1 capital ratio for the combined company of approximately 10 percent.

'The acquisition of National City will increase our core deposit base to \$180 billion, making PNC the fifth largest U.S. bank by deposits. At a time when core funding is key, we see our deposit strength as an important success factor. Upon closing the transaction, we will implement our successful business model and execute our strategies for managing risk, achieving cost efficiencies and growing high-quality revenue streams,' said James E. Rohr, chairman and chief executive officer of PNC. 'We believe this strategic combination will continue PNC's efforts to build capital strength and shareholder value. We are also gratified that we have been selected to participate in Treasury's Capital Purchase Program, which has helped to put this transaction on a very solid footing.'

The transaction has an estimated internal rate of return to PNC of more than 15 percent and is expected to be accretive to PNC's earnings in the second year. PNC's fair value adjustments and provisions for future losses of National City's current loan portfolio will bring the cumulative impairment of these loans to approximately 17.5 percent. PNC will continue to liquidate non-core and impaired loans.

55. Additionally, defendant Raskind commenting on the Proposed Transaction, stated: The combined company will have greater scale and scope, enhancing service to our customers and communities and providing greater opportunities for our employees. This transaction is about two companies that fit well together in terms of geography, products and services.
56. The exchange ratio offered in the Proposed Transaction is unfair and grossly inadequate because, among other things, the intrinsic value of National City's common stock is materially in excess of the amount offered for those securities in the Proposed Transaction in light of the Company's prospects for future growth and earnings. In fact, the Proposed Transaction values each share of National City's common stock at \$2.23, an 18.9 percent discount from Thursday, October 23, 2008's closing price of \$2.75.
57. Despite the financial turmoil, analysts note National City made real and substantial repairs this year. An Oppenheimer & Co. analysis noted that the Company raised the \$7 billion in capital in April, which is now "well above its peers." Moreover, the research note stated the bank has a "strong base" of deposits and "loan quality much healthier than WaMu."
58. Gerard Cassidy, an analyst at RBC Capital Markets of Portland, Maine, stated "[t]his is a tremendous opportunity and will be viewed as a coup for PNC over the long term."
59. Additionally, Frank Barkocy, research director at Mendon Capital Advisors of New York stated "PNC got a bargain. And they are doing it with cheap capital from the (government) program."
60. On October 25, 2008, the *Cleveland Plain Dealer*, in an article entitled "national City Bank is sold; thousands of jobs at risk" stated, in part, as follows:
The news is among the worst that could come to National City, which, according to banking legend, actually originated the first mortgage in the United States. PNC, just 130 miles and less than three hours from National City's headquarters, was one of a handful of banks known to be talking with National City this month about a possible deal.

Another contender, Scotiabank of Toronto, "would have been the best because you would have kept everything in Cleveland," Cassidy [Gerard Cassidy of RBC Capital Markets in Maine] said.

61. Also, by going with PNC's offer, the Individual Defendants can ensure that certain insiders of National City continue on in their respective positions and employment. According to the press release announcing the Proposed Transaction, defendant Raskind

will be appointed a PNC vice chairman, and one National City director will join the board of directors of the combined company.

62. Under the circumstances, however, the Individual Defendants are obligated to explore all alternatives to maximize shareholder value, irrespective of management's future employment.
63. Additionally, the Proposed Transaction suffers from conflicts of interests. The Company's Board hired Goldman Sachs as a financial adviser. Goldman Sachs, however, has a close working relationship with PNC that compromises its independence as an adviser to National City. Goldman Sachs acted as financial adviser to PNC in its acquisition of Baltimore's largest remaining independent bank, Mercantile Bankshares Corp., for \$6 billion in cash and stock in 2006.
64. The Individual Defendants have breached their fiduciary duties to National City's public shareholders by causing the Company to enter into the Proposed Transaction that provides for the sale of National City at an unfair price, and deprives National City's public shareholders of maximum value to which they are entitled. The Individual Defendants have also breached their fiduciary duties by not taking adequate measures to ensure that the interests of National City's public shareholders are properly protected from overreaching by defendants.
65. The Company's public shareholders deserve to receive the maximum value for their shares through the Proposed Transaction. The consideration reflected in the Proposed Transaction does not adequately value the Company's substantial assets, the value of control of the Company or the sizeable merger synergies that PNC stands to gain if the Proposed Transaction is consummated.
66. The Individual Defendants and/or other Company insiders stand to obtain substantial personal benefits as a result of the Proposed Transaction. On October 25, 2008, it was reported that National City's top three executives could receive upwards of at least \$41 million in golden parachutes following the sale of the Company. Additionally, *Private Equity Online* reported that Corsair Capital, which made a \$785 million investment in National City in April and for whom defendant Thornburgh is a principal, will be made whole on its investment because of a so-called reset clause included in the original investment agreement, citing a source familiar with the transaction. According to *The Wall Street Journal*, Corsair Capital's amended agreement calls for the private-equity firm to get at least the entire value of its \$5-a-share initial investment, even if National City were to be sold at a price below that. *The Wall Street Journal*, also citing a person familiar with the firm, said Corsair Capital might actually even get more than \$5 a share because of its warrants it holds in National City.
67. By reason of their positions with National City, the Individual Defendants are in possession of non-public information concerning the financial condition and business prospects of National City, and the true value and expected increased future value of National City and its assets, which they have not disclosed to the Company's public shareholders. Moreover, in violation of the Individual Defendants' duty to maximize shareholder value, the Company's directors have clear and material conflicts of interest and are acting to better their own interests at the expense of the Company's public shareholders.

68. The Proposed Transaction is wrongful, unfair and harmful to the Company's public shareholders, and represents an effort by defendants to aggrandize their own financial position and interests at the expense of and to the detriment of Class members (defined herein). Specifically, defendants are attempting to deny plaintiff and the Class their shareholder rights via the sale of National City in terms that do not adequately value the Company; and defendants have failed to disclose all material information concerning the true value of the Company.
69. In light of the foregoing, the Individual Defendants must, as their fiduciary duties require:
 1. Withdraw their consent to the sale of National City and allow the shares to trade freely - without impediments;
 2. Act independently so that the interests of the Company's public shareholders will be protected;
 3. Adequately ensure that no conflicts of interest exist between defendants' own interests and their fiduciary obligation to maximize shareholder value and, to the extent such conflicts exist, ensure that all conflicts be resolved in the best interests of the Company's public shareholders;
 4. Solicit competing bids to PNC's offer to ensure that the Company's shareholders are receiving the maximum value for their shares; and
 5. Fully and fairly disclose all material information to shareholders regarding the Proposed Transaction and the true value of the Company.
70. The Individual Defendants have approved the Proposed Transaction so that 100% of the Company's assets, revenues and profits will be transferred to PNC, thus all of the Company's operations will now accrue to the benefit of PNC.
71. As a result of defendants' conduct, the Company's public shareholders have been and will continue to be denied the fair process and arm's-length negotiated terms to which they are entitled in a sale of their Company. The Individual Defendants are obligated to explore transactions that will maximize shareholder value rather than conjure up a preferential deal for themselves.
72. The consideration reflected in the Proposed Transaction does not reflect the true inherent value of the Company that was known only to the Individual Defendants, as directors and officers of National City, at the time the Proposed Transaction was announced because the Proposed Transaction fails to properly value the Company's substantial assets, control of the Company or the sizeable merger synergies that PNC stands to gain if the Proposed Transaction is consummated.

REASONABLE DOUBT EXISTS THAT THE NATIONAL CITY BOARD IS ENTITLED TO THE BUSINESS JUDGMENT PROTECTION

73. For the reasons set forth herein, a reasonable doubt exists that the Board's approval and/or acquiescence to the Proposed Transaction was the product of a valid exercise of business judgment.
74. As part of their fiduciary duties, the Board had an obligation to inform themselves, prior to making a business decision, of all material information reasonably available to them. It is appropriate to treat the Individual Defendants as a group for pleading purposes and

to presume that the unlawful actions of the Individual Defendants as alleged herein are the collective actions of the narrowly defined group of Defendants identified above.

75. Each of the above officers and/or directors of National City, by virtue of their high-level positions with the Company, directly participated in the management of the Company and was privy to confidential proprietary information concerning the Company, its intellectual property, business, growth, and financial prospects, as alleged herein. Said Defendants were directly involved in negotiating with the interested bidders, and ultimately agreeing to the terms of the Proposed Transaction which will unfairly deprive National City's shareholders of their equity in the Company.

CLASS ACTION ALLEGATIONS

76. Plaintiff brings this action on her own behalf and as a class action on behalf of all National City shareholders (except defendants herein and any person, firm, trust, corporation or other entity related to or affiliated with any of the defendants) and their successors in interest, who are or will be threatened with injury arising from defendants' actions as more fully described herein (the "Class").
77. This action is properly maintainable as a class action.
78. The class of shareholders for whose benefit this action is brought is so numerous that joinder of all Class members is impracticable. As of the close of business on July 31, 2008, there were over 760 million shares of the Company's common stock issued and outstanding. The actual number of public shareholders of National City will be ascertained through discovery.
79. There are questions of law and fact which are common to the Class and which predominate over questions affecting any individual Class member. The common questions include the following:
 1. Whether defendants have breached their fiduciary duties of undivided loyalty, independence or due care with respect to plaintiff and the other members of the Class in connection with the Proposed Transaction;
 2. Whether the Individual Defendants are engaging in self-dealing in connection with the Proposed Transaction;
 3. Whether the Individual Defendants have breached their fiduciary duty to secure and obtain the best price reasonable under the circumstances for the benefit of plaintiff and the other members of the Class in connection with the Proposed Transaction;
 4. Whether the Individual Defendants are unjustly enriching themselves and other insiders or affiliates of National City;
 5. Whether the Individual Defendants have breached any of their other fiduciary duties to plaintiff and the other members of the Class in connection with the Proposed Transaction, including the duties of good faith, diligence, honesty and fair dealing, and the amount of shareholders' damages;
 6. Whether the Individual Defendants have breached their fiduciary duties of candor to plaintiff and the other members of the Class in connection with the Proposed Transaction by soliciting shareholder votes in favor of the Proposed Transaction based upon inadequate disclosures;

7. Whether the Individual Defendants, in bad faith and for improper motives, have impeded or erected barriers to discourage other offers for the Company or its assets;
 8. Whether defendants National City and PNC aided and abetted the Individual Defendants' breaches of fiduciary duties; and
 9. Whether plaintiff and the other members of the Class would suffer irreparable injury were the transactions complained of herein consummated.
80. Plaintiff's claims are typical of the claims of the other members of the Class and plaintiff does not have any interests adverse to the Class.
 81. Plaintiff is an adequate representative of the Class, has retained competent counsel experienced in litigation of this nature and will fairly and adequately protect the interests of the Class.
 82. The prosecution of separate actions by individual members of the Class would create a risk of inconsistent or varying adjudications with respect to individual members of the Class which would establish incompatible standards of conduct for the party opposing the Class.
 83. Plaintiff anticipates that there will be no difficulty in the management of this litigation. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.
 84. Defendants have acted on grounds generally applicable to the Class with respect to the matters complained of herein, thereby making appropriate the relief sought herein with respect to the Class as a whole.

FIRST CAUSE OF ACTION

Claim for Breach of Fiduciary Duties Against the Individual Defendants

85. Plaintiff repeats and realleges each allegation set forth herein.
86. The Individual Defendants have violated the fiduciary duties of care, loyalty, candor, good faith and independence owed to the public shareholders of National City and have acted to put their personal interests ahead of the interests of the Company's shareholders.
87. By the acts, transactions and courses of conduct alleged herein, Defendants, individually and acting as a part of a common plan, are attempting to unfairly deprive Plaintiff and other members of the Class of the true value inherent in and arising from National City.
88. The Individual Defendants have violated their fiduciary duties by entering National City into the Proposed Transaction contract without regard to the effect of the proposed transaction on the Company's shareholders.
89. As demonstrated by the allegations above, the Individual Defendants failed to exercise the care required, and breached their duties of loyalty, good faith, candor and independence owed to the shareholders of National City because, among other reasons:

1. **they failed to take steps to maximize the value of National City to its public shareholders and they took steps to avoid competitive bidding, to cap the price of the Company's stock and**

to give the Individual Defendants an unfair advantage, by, among other things, failing to adequately solicit other potential acquirers or alternative transactions;

- 2. they failed to properly value National City and its various assets and operations; and**
- 3. they ignored or did not protect against the numerous conflicts of interest resulting from the directors' own interrelationships or connection with the Proposed Transaction.**

90. Because the Individual Defendants dominate and control the business and corporate affairs of National City, and are in possession of private corporate information concerning the Company's assets, business and future prospects, there exists an imbalance and disparity of knowledge and economic power between them and the public shareholders of National City which makes it inherently unfair for them to pursue and recommend any proposed transaction wherein they will reap disproportionate benefits to the exclusion of maximizing stockholder value.
91. By reason of the foregoing acts, practices and course of conduct, the Individual Defendants have failed to exercise ordinary care and diligence in the exercise of their fiduciary obligations toward Plaintiff and the other members of the Class.
92. Unless enjoined by this Court, the Individual Defendants will continue to breach their fiduciary duties owed to Plaintiff and the Class, and may consummate the Proposed Transaction which will exclude the Class from its fair share of the Company's valuable assets and operations, and/or benefit Defendants in the unfair manner complained of herein, all to the irreparable harm of the Class.
93. The Individual Defendants are engaging in self-dealing, are not acting in good faith toward Plaintiff and the other members of the Class, and have breached and are breaching their fiduciary duties to the members of the Class.
94. As a result of the Individual Defendants' unlawful actions, Plaintiff and the other members of the Class will be irreparably harmed in that they will not receive their fair portion of the value of the Company's assets and operations. Unless the Proposed Transaction is enjoined by the Court, the Individual Defendants will continue to breach their fiduciary duties owed to Plaintiff and the members of the Class, will not engage in arm's-length negotiations on the Proposed Transaction terms, and will not supply to the Company's minority stockholders sufficient information to enable them to cast informed votes regarding adoption of the Proposed Transaction contract and may consummate the Proposed Transaction, all to the irreparable harm of the members of the Class.
95. Plaintiff and the members of the Class have no adequate remedy at law. Only through the exercise of this Court's equitable powers can Plaintiff and the Class be fully protected from the immediate and irreparable injury which Defendants' actions threaten to inflict.

SECOND CAUSE OF ACTION

**Claim for Aiding and Abetting Breaches of
Fiduciary Duty Against Defendants National City and PNC**

96. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.
97. Defendants National City and PNC aided and abetted the Individual Defendants in breaching their fiduciary duties owed to the public shareholders of National City, including Plaintiff and the members of the Class.
98. The Individual Defendants owed to Plaintiff and the members of the Class certain fiduciary duties as fully set out herein.
99. By committing the acts alleged herein, the Individual Defendants breached their fiduciary duties owed to Plaintiff and the members of the Class.
100. National City and PNC colluded in or aided and abetted the Individual Defendants' breaches of fiduciary duties, and was an active and knowing participant in the Individual Defendants' breaches of fiduciary duties owed to Plaintiff and the members of the Class.
101. Plaintiff and the members of the Class shall be irreparably injured as a direct and proximate result of the aforementioned acts.

PRAYER FOR RELIEF

WHEREFORE, plaintiff demands the following relief in his favor and in favor of the Class and against defendants as follows:

- A. Ordering that this action may be maintained as a class action and certifying plaintiff as the Class representative;
- B. Declaring that the Proposed Transaction was entered into in breach of the fiduciary duties of the Individual Defendants, that National City and PNC aided and abetted the Individual Defendants' breaches of fiduciary duties, and that the Proposed Transaction is unlawful and unenforceable;
- C. Enjoining defendants, their agents, counsel, employees and all persons acting in concert with them from consummating the Proposed Transaction, unless and until the Company adopts and implements a procedure or process to obtain a merger agreement providing the highest possible value for shareholders;
- D. Directing the Individual Defendants to exercise their fiduciary duties to obtain a transaction which is in the best interests of the Company's shareholders until the process for the sale or auction of the Company is completed and the best possible consideration is obtained in exchange for National City;
- E. Rescinding, to the extent already implemented, the Proposed Transaction or any terms thereof including, but not limited to, the termination fee and no solicitation clause;
- F. Awarding costs and disbursements, including plaintiffs counsel's fees and experts' fees; and
- G. Granting such other and further relief as to the Court may seem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: October 30, 2008 _____

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