

MINNEAPOLIS, Feb 25, 2010 (BUSINESS WIRE) -- MoneyGram International (NYSE:MGI), a global leader in the payment services industry, yesterday entered into memoranda of understanding to settle federal securities class and stockholder derivative actions pending in the United States District Court for the District of Minnesota. The claims arise out of the subprime related losses in 2007 and 2008.

"We are pleased to be able to enter into these agreements and bring to conclusion these legal proceedings," said Pamela H. Patsley, MoneyGram chairman and CEO. "My goal since joining MoneyGram has been to re-focus the organization on our core business and transform the company into a global market leader. These agreements will put these claims behind us and move MoneyGram another step forward towards the achievement of that goal."

Under terms of the securities class action memorandum of understanding, the plaintiffs agree in principle to settle the claims for an \$80 million cash payment, all but \$20 million of which will be paid by the Company's insurance coverage. The derivative claims memorandum of understanding provides for changes to MoneyGram's business, corporate governance and internal controls, some of which have already been implemented in whole or in part in connection with MoneyGram's recent recapitalization. The memoranda of understanding are subject to negotiation and execution of definitive settlement documents containing usual and customary settlement agreement terms, notice to the class and shareholders, and approval of the Court.

MoneyGram's three remaining pre-recapitalization directors, having helped MoneyGram successfully manage the transition of the company's ownership, management and governance and resolve the litigation described above, have determined not to seek re-election as directors at MoneyGram's annual meeting for the year 2010 in order to ensure a wholly new post-recapitalization board and wholly new audit committee.

"MoneyGram is committed to ensuring that its Board of Directors embodies the highest standards of governance and oversight for MoneyGram and its shareholders," added Patsley. "Our Nominating Committee and board will work to ensure that the MoneyGram Board of Directors and Audit Committee are comprised of directors best suited to uphold these standards."

The company has begun a process to identify new director candidates and anticipates nominating candidates for election to the board at the 2010 annual meeting of stockholders.